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SCHOOL OF RELIGIOUS AND SOCIAL WORK

CHANGING FORMS AND FACTORS OF LABOR ORGANIZATIONS

A Thesis

submitted by

Gerrit Ben Douwsma

(A.B., North Central College, 1936)

in partial fulfilment of requirements of

the degree of Master of Science in Social Service

1938

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TABLE OF CONTENTS

Table of Contents 2

List of Tables 5

Preface 8

I. Introduction 10

  A. The Trade - industrial union controversy 10

    1. Traditional position of craft unionism 11

    2. Essence of position of industrial unionism . . 13

    3. The labor crisis since October, 1935 15

  B. Organizational activity. 16

  C. Recent Labor Disputes 16

    1. Increase in numbers of strikes 16

    2. Inter-union conflict 17

  D. Statement of problem 19

II. Economic Background of Labor Unions 21

  A. Early attempts at unionization 21

  B. From "Forties through the Civil War period 25

  C. Phenomenon of the Knights of Labor 33

  D. The American Federation of Labor 37

  E. Other independent unions 48

  F. "Company Unions" 51

  G. Summary 57

III. Economic Factors in the Labor Union Crisis 59

  A. Integration of industry 59

1. Technological developments 59
2. Corporate form of organization 64
3. Holding Company devise for concentration of control. . 70
4. Large scale production 75
5. National advertising 83
6. Widening of market areas 90

B. Nature of the labor supply 99

1. Increase in population 99
2. Character changes in the population 99
3. Cessation of immigration 101
4. Education of workers 103
5. Economic shifts in population 105

C. Broader economic changes 123

D. Non-adaptiveness of the American Federation of Labor . . . 128

1. Weakness of decentralized control 128
2. Failure effectively to organize mass-production industries 132

IV. Attitude Factors in the Labor Union Crisis 143

A. Forces within industry 144

1. Growing solidarity of labor. 144
2. Acquiescence of employer groups 145

B. Forces outside industry 148

1. Governmental 148
2. Courts 153
3. Public 154

V. Nature of Shift Toward Industrial Unionism 158

A. Expression and extent of the shift 158

1. The craft-industrial break 158

2. Numerical growth of industrial unions . . . 162

3. Current status of factions 164

B. Analysis of Industrial Type of Union 169

1. Philosophy and field of operation 169

2. Methods used 171

3. Intrinsic evaluation 173

Bibliography 176

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LIST OF TABLES

Table		Page
I	Strike Data, 1929 - 1936	17
II	United States Railway Mileage, 1842-1900	26
III	Immigration to the United States by periods, 1821-1910 . .	27
IV	Growth of Population in the United States, 1830-1900 . .	28
V	Proportion of United States Population 10 years old and over, in given occupations, 1820-1870. . .	28
VI	Growth of Manufactures in the United States, 1849-1899 . .	29
VII	Value of Merchandise Exports and Imports	32
VIII	Membership in Knights of Labor, 1869 - 1890 . . .	35
IX	Illiteracy per 100,000 Population, by Census years, 1880 - 1930 . .	39
X	Growth of Employee Representation in the United States, 1919 - 1932 . . .	52
XI	Distribution of Wage Earners in 2975 Companies, According to Method of Dealing with Employers, November, 1933.	54
XII	Industrial Consolidations, 1890 - 1904	65
XIII	Changing Character of Ownership in American Enterprise, 1900-1929	68
XIV	Distribution of Wage Earners: Corporations and other employers, 1900 - 1929	69
XV	Distribution of Value of Product: Corporation and other Types of Enterprise, 1900-1929	70
XVI	Major Holdings of Pennroad Corporation, April 30, 1930	74

Table Page

XVII Primary Industrial Horse Power Capacity, 1869-1929 . 77

XVIII Proportion of Wage Earners in Establishments Classified According to Numbers of Wage Earners, 1909-1933 . . . 78

XIX Proportion of Industrial Establishments, Wage Earners, and Value of Product, in Establishments with Products valued at $5,000 or More Annually, Classified according to Value of Product, 1904-1929. . . . 80

XX Publishers Receipts for Advertising Carried in Newspapers and Magazines, 1847-1928. 84

XXI Proportionate Increase of Magazine Advertising, During 15-year Period, 1913-1927 86

XXII Distribution of National Advertising Effort Among the Different Mediums, in 1928 87

XXIII Growth in the Number of National Advertisers, in Thirty Magazines, 1913 to 1927 88

XXIV Development of Saturday Evening Post, 1897-1927 . . 88

XXV United States Railway Mileage, 1900-1935 91

XXVI Freight and Passenger Service, 1891-1931 92

XXVII United States Exports of Merchandise, 1890-1930 . . 93

XXVIII Production and Registration of Motor Vehicles . . . 94

XXIX Distribution of Sears Roebuck Catalogs, 1900-1929 . 96

XXX Population per Square Mile in the United States, 1790-1936 100

XXXI Age Distribution of United States Population, 1900-1930 101

XXXII Birth and Death Rates in the United States, 1915-1935 102

Table Page

XXXIII Per Cent Illiteracy in the United States 1870-1930 107

XXXIV Percentage Distribution of Gainfully Occupied persons, 16 years of Age and Over, 1870-1930 . . 115

XXXV Urban Population in the United States 117

XXXVI Gainful Workers Classifiable by Skill, in the United States, 1910-1930. 120

XXXVII Organizing Expenditures of the American Federation of Labor, By periods, 1899-1931 138

PREFACE

A social work philosophy ought to start with the inadequate personality and its needs. Although it is not motivated by a conception of economic determinism, it finds economic factors strategic in its everyday contacts with men. It draws its clientele primarily from the under-privileged classes, from among those who are economically weak. In our modern streamlined industrial society, the range of under privileged is being widened continually, the wage earner often having to rely on a series of short-term jobs, and never knowing when his means of self-support will again be cut. The significance of these basic social forces was recognized by Ben Selekman, in an address to the Massachusetts Conference of Social Workers, in November, 1937, when he characterized them as making the whole wage earning class potential members of the under-privileged group.

This semi-privileged wage earning class has discovered that it can secure some degree of control over the means of its livelihood by pitting its group strength against the greater economic power of the more privileged classes, by a social process known as collective bargaining, after its own pathetic individual impotencies have been bound together in an effective labor organization. If the self realization of workers necessitates these movements and institutions which they themselves have created, social work and social workers should be familiar with them as community resources, currently

useful, and actively engaged in processes that are calculated to have the effect ideally subscribed to by Social Work. When a situation arises in which labor appears to be divided against labor, the forms of labor organization being seriously challenged, it is, or ought to be, of concern to social workers to study the factors in the problem in order to know the relative merits of the various forms, from the standpoint of their probable effectiveness in serving labor.

CHANGING FORMS AND FACTORS OF LABOR ORGANIZATION

CHAPTER I

Introduction

A. The Trade - Industrial Union Controversy.

Graduated, and sometimes alternating reactions, bespeaking his curiosity, interest, pleasure, irritation, disgust, acceptance, or alarm have characterized the head-line built attitudes of the man on the street, as he reads of late developments in the intra-labor union war, or when he sees cartoonist's sketches of riled rival labor leaders, each heaping anathemas upon the other's head.

For it is patent in the current files of every newspaper and news periodical, that organized labor contains two primary embittered factions. The American Federation of Labor, with fifty odd years of trade-union history, was being, and currently is being opposed, in its claim to represent the American Workingman, by a new thing, which it itself cast off, but which, instead of withering upon exposure, has grown to luxuriant proportions, partly at least at the expense of the parent from whose body it was evicted. The Committee for Industrial Organization originally consisted of eight men, who were dissatisfied, or who at least claimed to be dissatisfied, with the procedures and progress of the American Federation of Labor, and

who, following the Federation's Convention at Atlantic City, in October, 1935, met to draw up plans for putting their ideas to a practical test,[1] a test which the convention had refused to sanction.[2]

1. Traditional Position of Craft Unionism.

It is not new, in the experience of the American Federation of Labor, to have insurgent groups arise from within the labor movement, and then to challenge the efficacy of the philosophy of the Federation itself. The Industrial Workers of the World were organized at Chicago on July 7, 1905. largely at the instigation of two left-wing unions, but with the full support of many others, among which were at least 16 A. F. of L. affiliates.[3] It began with a flourish, claiming 100,000 members from the start[4] but the number was reduced to about 8,000 by 1933.[5] The basic difference between this group and the A. F. of L. was one of philosophy, for the Federation hoped to work out labor's salvation by the principles

[1] Committee for Industrial Organization: The C.I.O. - What It Is and How It Came to Be, p. 10.

[2] The American Federation of Labor: Convention Proceedings, 1935.

[3] Bureau of Labor Statistics, U. S. Department of Labor: Handbook of American Trade Unions, 1936 edition, p. 332.

[4] Daugherty, C. R.: Labor Problems in American Industry, p. 485.

[5] Ibid, p. 486.

of individualism and laissez-faire,[1] whereas the I.W.W. conceived of "the historic mission of the working class" as being the "doing away with of capitalism"[2].

The American Federation of Labor has continued upon the basis of a conservative philosophy, and its time-venerated form of organization. Its attitude toward legislation has long been negativistic, as when it supports laws designed to curb court powers of issuing injunctions, in case of strikes,[3] but opposing state "interference" as zealously as did industry itself, when "social legislation" was proposed,[4] because it feared that if workers had other agencies to which they could turn "for the protection and promotion of their welfare," the union would be less important in their lives[5]. The structural basis of the American Federation of Labor is the craft or trade union, which "came into existence before the rise of the

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[1] Metcalf, H.C.: Collective Bargaining for Today and Tomorrow, p. 17

[2] Bureau of Labor Statistics, U. S. Department of Labor: Handbook of American Trade Unions, 1936 edition, p. 333.

[3] American Federation of Labor, 1924: History, Encyclopedia and Reference Book, p. 9.

[4] Lorwin, L. L.: The American Federation of Labor, p. 410 - 411.

[5] Metcalf, H.C.: Collective Bargaining for Today and Tomorrow, p. 18.

factory system," which brought with it the germs of our modern economic system, that is, "mass production, minute specialization of tasks, and semi-automatic machinery".[1] In his scholarly and authoritative work, published in 1933 by the Brookings Institution, and written with the co-operative sanction of the American Federation of Labor and the use of all its private documents,[2] Lewis L. Lorwin found the Federation to "continue to be primarily an organization of skilled and semi-skilled workers", as "only a small number of unions (2) consist entirely of unskilled workers, or have a substantial proportion of unskilled".[3] At that time the coming struggle was forseen by the same writer who felt the basic problem to be "whether the American skilled workers could rise above their present group egotism, reconcile their own interests with those of the semi-skilled and unskilled, and evolve a labor organization truly national in scope and character.[4]

2. Essence of Position of Industrial Unionism.

The present insurgent move is primarily concerned with what it called these antiquated forms of organization, hoping to "encourage and promote the organ-

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[1] Brooks, R. R. R.: When Labor Organizes, p. 32.

[2] Letter to the writer from the central A. F. of L. offices, dated August 30, 1937.

[3] Lorwin, L. L.: The American Federation of Labor, p. 304.

[4] Ibid, p. 470.

ization of the unorganized workers, in mass production and other industries, upon an industrial basis. Its aim is to foster recognition and acceptance of collective bargaining in such basic industries."[1] It represents a difference in procedure and type of structure rather than one of philosophy, although, of course, a basic adjustment in form actually necessitates a modification of philosophy, as will be indicated later. The proponents of industrial unionism suggest that the A. F. of L. procedure merely scratched the surface, and sometimes did even less, in the direction of organizing the bulk of American wage-earners, because its rulings of constitutional craft exclusiveness and the concommitant jurisdictional twistings made it impossible for it to provide the type of labor organization needed by workmen in our newer and immense industries.[2]

The craft-industrial union controversy, then, is the genesis for the break in the ranks of labor, whether it be justified or not by the Federation's history. Earlier flare-ups of the same conflicting ideas have occurred: this is merely the most recent and the most powerful. The field of labor activity has seen a good deal of change since the original cleavage of the ranks, which dates organically from November, 1935,to the present. Membership drives have swelled the ranks, and a deluge of strikes emphasized the workers'

[1] Brophy, J.: Industrial Unionism, p. 5.

[2] Committee for Industrial Organization: The C.I.O. - What It Is and How It Came to Be, p. 7 - 9.

desire for both economic gains and union recognition, as previously "untouchable" industries swung into line by signing written agreements with operating unions.

3. The Labor crisis since October, 1935.

In August, 1935, before the rift had occurred, the membership in the A. F. of L. was reported to be 3,153,913.[1] For 1936 the Bureau of Labor Statistics set the figure at 3,586,567. This apparently includes figures for some unions already actively supporting the C.I.O. movement.[2] At the 1937 Convention, the membership as of August, 1937, was reported as being 3,271,726.[3] Therefore, although the figure for 1936 may be somewhat misleading, the membership in the Federation has increased by 117,813 from 1935 to 1937.

B. Organizational Activity

During this time the C. I. O. membership has increased from the mere organization of the Committee of eight, in November, 1935, to the point where, within the two year period by September 3, 1937, Mr. Lewis announced it to be 3,718,000, or already considerably in excess of the A. F. of L. enrollment.[4] According to estimates of Robert R. R. Brooks, the independent labor unions also added to their ranks, the tendered figures

[1] Bureau of Labor Statistics: Action of the A. F. of L. Con-bention on Internal Policies, Serial No. R308.

[2] Monthly Labor Review, Vol. 44, No. 1, p. 129.

[3] Brooks, R. R. R.: When Labor Organizes, p. 343.

[4] Ibid

being 585,744 for 1935, and approximately 750,000, or almost 165,000 more in 1937.[1]

These figures may not be absolutely accurate, because original data is not uniform as it is first reported, and slight discrepancies are apt to creep in.[2] However, they are apt to err conservatively, especially for the later dates, because membership is increasing so rapidly. Therefore we may consider these figures as being indicative of the growth in numerical strength of organized labor in America, which has in this way practically doubled itself in the two year period, increasing from less than 4,000,000 in 1935 to about 7,750,000 in 1937. Such an increase in membership has never before been equaled. It was hardly foreshadowed by the record of the Knights of Labor, which had 11 members in 1869, 19,422 in 1881[3] and 1,000,000 by 1887.[4]

C. Recent Labor Disputes

1. Increase in number of strikes.

All the energy of the unions has not gone into membership drives. Strike data for the eight-year term from 1929 to 1936,

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1 Brooks, R. R. R.: When Labor Organizes,

2 Bureau of Labor Statistics, U. S. Department of Labor Handbook of American Trade Unions, 1936, p.8.

3 Lorwin, L. L.: The American Federation of Labor, p. 16 - 21.

4 Simonds, J. C.: The Story of Labor in All Ages, p. 641.

easily divides into two four-year periods. The table below indicates the increased use of the strike during these recent years.[1]

Table I STRIKE DATA - 1929 - 1936

Year	Number of Strikes	Workers Involved	Man-Days Idle
1929	921	288,572	5,351,540
1930	637	182,975	3,316,808
1931	810	341,817	6,893,244
1932	841	324,210	10,502,033
1933	1,695	1,168,272	16,872,128
1934	1,856	1,466,695	19,541,949
1935	2,014	1,117,231	15,456,337
1936	2,172	788,648	13,901,956

The tendency has been accentuated rather than diminished in 1937, although complete figures are not yet available.[2]

2. Inter-union Conflict.

Yet all the struggling has not been between labor and employer directly. Labor has been divided against labor, the A. F. of L. opining that the C.I.O. is an attempt at dual unionism, which has a bad flavor in the parlance of labor, while C.I.O. calls the Federation leaders traitors to the trust imposed upon them, having been negligent or ineffective in extending the benefits of unionism to thegreat masses of semi-skilled and unskilled labor.[3] These groups have expressed their differences in violent ways, on the picket line and in

[1] Bureau of Labor Statistics: Review of Strikes in 1936, p. 2, Serial No. R569.

[2] Ibid.

[3] See contemporary files of the New York Times and the Christian Science Monitor.

the negotiation chamber.

The latter is well illustrated by a situation where a "Collective Bargaining" and "Union Recognition" Conference was ostensibly being held by the management of the Caterpillar Tractor Company and leaders of the C.I.O., speaking for its local of the Amalgamated Association of Iron, Steel and Tin Workers, which wanted to function in the Peoria plants as an industrial union. Management devised to have A. F. of L. sympathizers present, and the court reporter's transcript indicates that violent sections of the verbal recordings were stricken from the report. There are, however, copies of three telegrams, sent to the Caterpillar people by A. F. of L. International Craft Unions, requesting the Company to refuse to enter agreements "with any organization not affiliated with the A. F. of L." and "formally protesting" against such a possibility.[1] At least five metal working craft unions, as well as the metal trades department of the A. F. of L., therefore, protested what would in effect be a unification of their respective groups, as far as employment for this industrial firm is concerned. This probably typifies the controversial situation with which American labor is trying to cope at the present time.

Labor history is in the making. The Department of Labor at Washington says that the last six years have been of much significance in the labor world, adding that "industries which

[1] Caterpillar Tractor Company: Report of Management - C.I.O. Meeting.

heretofore seemed impervious to the doctrine of unionism have responded to organizing campaigns - - - -. The greatest increase in organization has been among semi-skilled and unskilled workers in the mass production industries and in the newer, rapidly developing fields, such as the electrical equipment industries - - - - -."[1]

D. Statement of the Problem.

Crises such as this intro-union conflict do not result from hysteria, nor from alien ferment. The manifestations of the turbulent days reflect the moulding force of interstitial socio-economic factors that have been at work during the more peaceful days preceding. In an effort to form a basis for a tenable appraisal of the present controversy, we will devote some time and effort to an examination of these underlying causes. It will be an attempt to see how history is made in the less dramatic causative processes. It will be a sound approach to an understanding interpretation of what we see. If we fail to find sufficient cause for the insurgency, we will know that half the American Labor Movement has been mislead into following a handful of ambitious men, as some now tell us,[2] for there is no inherent reason why 4,000,000 Americans can't be wrong. If we do find cause for the current controversial phenomena, we will be in a better position to judge of the

[1] Bureau of Labor Statistics, U. A. Department of Labor, Handbook of American Trade Unions, 1936, p. 8.

[2] Anonymous: I Am a Labor Organizer; Volume XCVIII, No. 2 August, 1937.

probable extent and permanance of the latest developments in American Unionism.

CHAPTER II

Economic Backgrounds of Labor Unions

Throughout its development, the labor movement has been an essentially economic process. The passing phases of industrial and economic history have stamped their several marks upon the labor unions, as the workers attempted to adjust their organization to contemporary conditions.[1]

The adoption of the American Constitution initiated a commercial revolution, because it gave organic expression to a philosophy of the rights of man, in a physical environment such as had not previously been used as a base for a democratic national experiment. The fallow field of the Western World, when opened to the population of the civilized nations, shifted the economic equilibrium of the world.[2]

A. Early Attempts at Unionization.

The merchant capitalist, free, now, to trade where trade was most profitable, pressed the master workmen, in the handicraft industries, and these could no longer maintain their regulation of prices, wages, and general conditions.[3] When masters societies, pressed by merchant competition, drifted from benevolence toward their journeymen to attempts to force wages down, these drew away, and formed the first craft unions.[4]

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[1] Brooks, R. R. R.: When Labor Organizes, p. 28.

[2] Orth, S.: The Armies of Labor, p. 8.

[3] Daugherty, C. R.: Labor Problems in American Industry, p. 36

[4] Beard, M. A.: A Short History of the American Labor Movement, p. 15.

Thus unions of carpenters, tailors, printers, and shoemakers were established, some as early as 1785.[1] These organizations were local, because their problems were local, and because there were no great transportation and communication systems to bind them together. They dealt with problems of wages, hours, etc. in specific trades. And they tended, from then on, to exclude employers, for they felt that "the interests of journeymen are separate and in some respects opposite to those of employers."[2]

Although the American Labor Movement began in employer-employee frictions, it has never reached the point of a class-conscious struggle for general power.[3] Perhaps the fact of the ever-present open lands to the West, acted as a moderating governor of the human elements in the industrial machine, for this continually lured the disaffected or disappointed workman away from the eastern seaboard.[4] It might be called the first great governmental W.P.A. in the United States. The contemporary historian James Truslow Adams' story of "The Epic of America" repeats its burden for every epoch - "and there was a depression in those days, causing wages to go down, and the people moved westward," for the land lay there for the taking

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[1] Beard, M. A.: A Short History of the American Labor Movement, p. 16.

[2] Ibid, p. 17.

[3] Ware, N. J.: Labor in Modern Industrial Society, p. 109.

[4] Orth, S.: The Armies of Labor, p. 20.

of those who could get there.

The artisan fared better than did the common laborer, because of his skill and his opportunity for organization. Nevertheless, his work-a-day world left a good deal to be desired.[1]

Early in the 19th Century, some of these local unions began to be "district-minded", as "mechanics unions" and "trade councils", representing skilled artisans in several trades or crafts, sprang up.[2] But each group had its own economic stakes, so in joint action they tried to develop and wield political influence, rather than the purely economic.[3] It seems only natural that the workmen, with general grievances, and a newly acquired power in the franchise, should attempt to alleviate the one by the use of the other. Mechanics lien laws, imprisonment for debt, competition with convict labor, long work days, child labor, and industrial sweatshops were attacked. Even from these early years, labor has championed free and equal public education, and in these various projects it has had more or less success.[4] Strikes were used, and they were found to be effective, but they were local plant strikes, in a specific craft or trade, until about 1827, when the Philadelphia Carpenters' difficulties called forth a sympathetic

[1] Orth, S.: The Armies of Labor,

[2] Brooks, R. R. R.: When Labor Organizes, p. 29.

[3] Ibid

[4] Beard, M. A.: A Short History of the American Labor Movement.

strike.[1] The shift toward political action necessarily emphasized political boundaries, of wards, cities, towns, or counties. This would account partly for the decline of some craft unions, as in Philadelphia, where a district trade Society, erstwhile with 15 component units, soon found that only 4 remained.[2] This is indicative of the principle that form and field of operation must be related to function, and when either emphasis changes, the correlative must also change.

In the early 1830's some attempts to form national unions were made. These were probably premature, as industry was still rather highly localized. But five separate crafts held "national" meetings in 1835 - 1836,-the cordwainers, combmakers, handloom weavers, carpenters and printers, - because "employers were sending the work out to other areas."[3] The feeling that the union somehow had to, and could, become inclusive enough to continue to be effective has long been basic in union ideas and practices.

The unions really were quite strong, numerically, at this time. The Atlantic Seaboard Cities had varying numbers of local unions, with Philadelphia, and New York leading with over 50 units each, the total aggregate membership being set at 300,000.[4] A "National Trades Union", including all trades,

[1] Beard, M. A.: A Short History of the American Labor Movement, p. 33.

[2] Ibid, p. 44.

[3] Ibid, p. 52.

[4] Ibid, p. 48

was operative during the three-year between 1834 and 1837.[1]

But industrial production had "not yet been put on a truly factory basis in America, because of the distances between places, the lack of capital, the scarcity of labor, and the high relative wage scales" due to the ease with which people could take up free land.[2] The panic of 1837 just disinegrated labor organizations. The leaders were in disrepute, and unable to hold the membership, because of the widespread breakdown of finance and industry. Whole segments of the population were starving, and it became impossible to maintain morale and arbitrary wage standards.[3]

B. From`Forties through the Civil War Period.

Following the panic, revival was marked by industrial expansion. At this time railroads began construction in earnest, and this was a contributory factor in recovery.[4] The development of canals, during the first part of the century, had done much to bring the affected parts of the interior into a position favoring trade with the seaboard, by reducing both the time and the toll required. As **Witt** Boden points out, the completion of the Erie Canal, in 1825, reduced the cost of freight haulage between Buffalo and New York from a hundred to less than eight dollars per ton, and the requisite time from

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[1] Orth, S.: The Armies of Labor, p. 34.

[2] Daugherty, C. R.: Labor Problems in American Industry, p. 38.

[3] Beard, M. A.: A Short History of the American Labor Movement, p. 54.

[4] Paxon, F. L.: The New Nation.

twenty days to six.[1] The introduction of the steam boat, making it possible to move goods up as well as down the great rivers of the Middle West, was another link in the series of steps by which distance and the interior domain were domesticated.[2] The railroad now benefiting by the earlier experimental years, and opportunely given additional physical safety by the invention of the telegraph, in 1844, pushed across the first Eastern mountain ranges, and connected New York with Buffalo, Baltimore with Wheeling, and Savannah with Chattanooga,[3] by about the middle of the century, The next step was to extend lines to Chicago and Memphis, and then to forge a rail link to handle the northsouth traffic in the Mississippi Valley. This too was done before the Civil War era.[4] Railway track mileage in operation increased more than twelvefold in the thirty years between 1840 and 1870, as indicated in the following table.[5]

Table II
UNITED STATES RAILWAY MILEAGE - 1842 - 1900

Year	Mileage	Year	Mileage	Year	Mileage
1842	4,026	1860	30,626	1875	74,096
1850	9,021	1865	35,085	1880	93.262
1855	18,374	1870	52,922	1885	128,320
				1890	156,404
				1895	177,746
				1900	192,556

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[1] Bowden, W.: The Industrial History of the United States, p.178

[2] Ibid, p. 181

[3] Ibid, p. 187

[4] Ibid.

[5] Poor's Manual of Railroads.

The money spent in railroad construction was itself an industrial primer. It is difficult to obtain consecutive comparable data, but Boden reports "the cost of railroad construction during the 'fifties" to have been "estimated at more than $1,134,000,000."[1] Since 21,000 miles would represent the approximate distance paved with steel during the decade, it is apparent that great sums were poured into these projects.

During this same period the character of the population was changing, by the influx of immigrants from other shores. Manufacturers wanted an increased labor supply, and in 1864 Congress passed the "Alien Contract Immigration Law", making it legal for American Manufacturers to contract for passage and service of prospective immigrants.[2] Taken by ten-year periods, from 1830 to 1880, the numbers arriving increased quite phenomenally. The data follow.[3]

Table III
IMMIGRATION TO THE UNITED STATES, BY PERIODS

Period	Number of Immigrants	Period	Number of Immigrants
1821-1830	143,439	1851-1860	2,511,060
1831-1840	599,125	1861-1870	2,377,279
1841-1850	1,713,251	1871-1880	2,812,191
		1881-1890	5,246,613
		1891-1900	3,687,564
		1901-1910	8,795,386

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[1] Bowden, W.: The Industrial History of the United States p. 188.

[2] Beard, M. A.: A Short History of the American Labor Movement, p. 69.

[3] Statistical Abastract of the United States, 1936, p. 95.

Abetted by this foreign influx, but of course by no means wholly due to it, the total population of the United States increased at its most rapid relative rate during the years between 1840 and 1860. The Census data for the germane years follow.[1]

Table IV
GROWTH OF POPULATION IN U. S. - 1830-1880

Year	Total Population	Percent increase over preceding decade.
1830	12,866,020	33.5
1840	17,069,453	32.7
1850	23,191,876	35.9
1860	31,443,321	35.6
1870	38,558,371	22.6
1880	50,155,783	30.1
1890	62,947,714	25.5
1900	75,994,575	20.7

During the same period the proportion of persons 10 years old and over, on farms, decreased, while the proportion in manufacturing, and trade and transportation, increased.[2]

Table V
PROPORTION OF U. S. POPULATION 10 YEARS OLD AND OVER, IN GIVEN OCCUPATIONS, 1820 - 1870

	1820	1850	1870
Agriculture	32.14	30.18	23.71
Manufacturing	5.43	7.67	9.43
Trade and Trans.	1.12	2.52	

Some data on the beginnings of the trends in Manufacturing has also been preserved, from this period. The table

[1] Bureau of the Census, United States Department of Commerce: Population, 15th Census, Vol. II, 1930

[2] Research Committee on Recent Social Trends: Recent Social Trends, p. 503

following includes "all establishments with products valued at $500 or more."[1]

Table VI
GROWTH OF MANUFACTURES IN U. S. 1849 - 1899

Year	No. Est.	% incre.	Average No. Wage Earners	% incre.	Value of Product	Amount of Primary Hs. Power
1849	123,025		957,059		1,019,000,000	
1859	140,433	14.1	1,311,296	37.0	1,886,000,000	
1869	252,148	79.6	2,053,996	56.6	3,386,000,000	2,346,000
1879	253,852	.7	2,732,595	33.0	5,370,000,000	3,411,000
1889	355,405	40.0	4,251,535	55.6	9,372,000,000	5,939,000
1899	512,191	44.1	5,306,143	24.8	11,407,000,000	10,098,000

From data such as this it is clearly evident that manufacturing was becoming of rapidly increasing importance to the economy of the United States.

Therefore, as market areas were extended, as relatively more people were working for others, and fewer for themselves, as the construction of inland transportation utilized continuously more unskilled labor, as the supply of labor, especially of unskilled labor, increased, those who were "in the skilled trades settled down to the cold business of getting more pay for themselves by means of permanant and exclusive organization."[2] Labor unions increased, in numbers, membership, and economic importance. In keeping with the spirit of the age, when individuals carved fortunes for themselves, by

[1] Bureau of the Census, United States Department of Commerce: *Manufactures*, Volume I, p. 15.

[2] Beard, M. A.: *A Short History of the American Labor Movement*, p. 62.

personal alacrity, through hastening the conquest of the great central plains area, the skilled workman was interested in the welfare of his own exclusive group because of his own private stake. Those for whom he worked were out to make money, and so was he. Humanitarianism and co-operative experiments held little interest for him, we are told, for he was concerned with the raising and maintaining of his pay-level, above that of the immigrant, and with such ideas as rules of apprenticeship, the closed shop, minimum wage scales, and strike funds. Some aliens formed local unions, but only as skilled mechanics.[1] By 1872 the union membership was estimated to have been back at the 300,000 mark,[2] which was where it was in the middle thirties. Its relative strength could hardly have been as great at this time, for the population of the country had more than trebled, rising from 12,866,020 in 1830 to 38,558,371 by 1870 (See Table IV) and manufacturing had expanded to several times its earlier significance. (See Table VI)

As is often true, economic recessions cut down the union membership, and the coming of the Civil War drew northern labor to the government's support. While industry prospered, "wage levels did not keep up, as merchants drove hard bargains, and manufacturers paid low wages, so that profits on contracts might be high."[3] The unions did increase their strength, so that "while there were 79 unions (in a certain unspecified

[1] Beard, M. A.: A Short History of the American Labor Movement, p. 63

[2] Ibid

[3] Ibid, p. 67

area) in December, 1863, there were 270 in the same area in December, 1864".[1]

Most union effort was still local, but its ineffectiveness was realized by some. Two rather noteworthy attempts at national organization were made, the National Labor Union in 1866, which met in Baltimore to combine the "political actionists" and "trade unionists," by co-operative enterprise and legal agitation, and the Industrial Brotherhood in 1872, called by leaders of four important crafts to economic opportunism, involving a tacit acceptance of capitalism and a disowning of communism.[2] Neither of these survived the panic of 1873, when wages were cut, union men blacklisted, and the leaders persecuted.[3]

With the coming of bigness into business and industry, markets were accepted a great way off. Reference to the table following indicates the expansion of foreign markets, especially during the decade from 1870 to 1880.[4]

[1] Beard, M. A.: A Short History of the American Labor Movement, p. 68.

[2] Ibid, p. 73 - 81.

[3] Ibid, p. 82.

[4] Statistical Abstract of the United States, 1931, p. 488 - 491

Table VII
VALUE OF MERCHANDISE EXPORTS AND IMPORTS

Year	Exports	Imports
1860	333,576,000	353,616,000
1870	392,772,000	435,958,000
1880	835,639,000	667,955,000
1890	857,829,000	789,310,000
1900	1,394,483,000	849,941,000
1910	1,744,985,000	1,556,947,000
1920	8,228,016,000	5,278,481,000
1930	3,843,181,000	3,060,908,000

With the increase in economic strength of the employing group, coupled with the phases of the revolving business cycle which put workers at the mercy of a chance to earn a living, labor was cut short at every turn.[1] Bankruptcies, measured in terms of amount of liabilities, reached peak points twice during the decade of 1870 - 1880, first in 1873 and again in 1878, the respective figures of total bankrupt liabilities being $228,499,000 and $234,383,000.[2] The wages of labor, of both skilled and unskilled groups, were cut severely, and unemployment stalked the land.[3]

Labor spies were used by industrial firms, adding to the danger of organization, as well as to the increasing dissent of labor. The origins of the notorious Pinkerton Detective Agency, since used by many industrialists for anti-union activity, were laid when James McParlan, labor spy extraordinary, whose efforts later sent ten men to the gallows and fourteen

[1] Orth, S.: The Armies of Labor, p. 63 - 168.

[2] Simonds, J. C.: The Story of Labor in All Ages, p. 489 - (Primary Source is R. G. Dunn Statistical Service.)

[3] Ibid, p. 481 - 502.

more to jail, was hired for this type of work by the president of the Philadelphia and Reading Railroad.[1]

The data as given in Tables II through VII indicate the swiftness of the turn toward industrialism as soon as sufficient man-power had been built up. The sharpness of the bends came at about the time of the Civil War, with the greatest proportional increases in population preceding the most rapid development of the railroads and the manufacturing industries. This was really the time when the Industrial Revolution came to America.[2]

All these factors were contributory to the chaotic labor situation prevailing during this period. With the "expansion of industry into big corporations operating on a large scale, and the increased use of machinery, "which, with the other concommitant factors," so thoroughly eliminated the distinctions among workmen that a dead level of labor was created,"[3] craft unionism's inability to deal effectively with the troublous problems of labor causing the disintegration of many craft unions, and indicated the need for an association which offered the mutual protection of all-inclusiveness.[4]

C. Phenomenon of the Knights of Labor.

The rise and growth of the Knights of Labor was the answer which Economic History gave to the perplexities of the

1 Ware, N. J.: Labor in Modern Industrial Society, p. 183-184.

2 Daugherty, C. R.: Labor Problems in American Industry, p. 42.

3 Ibid, p. 438.

4 Ibid,

economically weak laboring classes. It originated in 1869, in conservative Philadelphia, among a small group of Garment Cutters, lead by Uriah Smith Stephens. Losing faith in their failing craft union, the "Garment Cutter's Society of Philadelphia," with its inherent exclusiveness and selfishness, these men laid the foundation of the philosophy of a new movement, which was to benefit the entire laboring class, by establishing the first nationally important prototype of an industrial labor union.[1]

The Knights of Labor began as a secret organization. In those days of union blacklisting and labor espionage, this was a measure of self-protection. And it helped the Order gain prominence, partly because of the mysteries popularly associated with its symbols, and because its true strength and operation were simply not known. But it began to organize locals in various trades, and in various cities, until, by 1876, more than 100 local assemblies had been chartered.[2] Public disapprobation was heaped upon it, however, through the press, the pulpit, and the priesthood, and, since it really had nothing to conceal, it dropped its secrecy in 1881.[3]

Membership in the Order was open to all "except bankers, lawyers, stockbrokers, gamblers, and those making or selling intoxicants". Essentially, it was a mass movement of the un-

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[1] Simonds, J. C.: The Story of Labor in All Ages, p. 641.

[2] Daugherty, C. R.: Labor Problems in American Industry, p. 438.

[3] Beard, M. A.: A Short History of the American Labor Movement, p. 117.

skilled, for neither craft, skill, creed, sex, nor color was basis for discrimination,[1] as they felt that "an injury to one is the concern of all".[2] The Order was considered revolutionary, not that it advocated violence, but because it sought to make fundamental changes in the nature of national economy. It stood for public ownership of public utilities, the fostering of co-operative instead of competitive society, and it appealed primarily to the lower-paid and unskilled workman. It denied the identity of employer-employee interest.[3]

Official data concerning the growth of this movement are not available, but the following, arranged in Table VIII, represents the most complete compilation possible from the sources at hand.[4]

Table VIII
MEMBERSHIP IN KNIGHTS OF LABOR - 1869 - 1890

Year	Membership	Year	Membership
1869	11	1883	51,914
		1884	71,326
		1885	111,395
1881	19,422	1886	729,000
1882	42,517	1890	100,000

Some speak of it as a "million-man-movement" at its

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[1] Daugherty, C. R.: Labor Problems in American Industry, p. 439.

[2] Beard, M. A.: A Short History of The American Labor Movement, p. 117.

[3] Ibid, p.117.

[4] Ibid; also Lorwin, L. L.: The American Federation of Labor, p. 16, 21. Also Simonds, J. C.: The Story of Labor in All Ages, p. 642.

zenith, in 1886[1] but nothing purporting to set out the figures comes up to this mark. But it was an immense movement in its day, and for a time commanded the labor world.[2]

In a series of dramatic strikes in 1884-1886, the Knights of Labor came to the foreground. In many of these it was successful, as in the sympathetic strike which tied up the railroad system of Jay Gould, and both the public and the Order itself overestimated its power in the industrial area. [3] The philosophy of the original leaders, who wanted to put "the rights of man" above "the rights of tradesmen" may have been sound, but with the conglomerate and unskilled membership, easily swayed by radicals, the original leaders lost control, and, correctly or otherwise, the Order was blamed by the common people for violent excesses and for a multiplicity of strikes.[4] It is a matter of record that there were more strikes in 1886 than in any previous year for which fairly accurate statistics were collected, the number, 1432, being more than double that of any earlier year. Far more establishments and workers were involved, too, but only a trifle over half of them were called by organized labor, this proportion differing little from the comparable proportions for the earlier years.[5]

[1] Wolman, L.: Growth of American Trade Unions, p. 13.

[2] Daugherty, C. R.: Labor Problems in American Industry, p. 438.

[3] Ibid, p. 439.

[4] Orth, S.: The Armies of Labor, p. 76.

[5] United States Department of (Commerce and) Labor: Bulletin Number 54, p. 1097 to 1117.

Nevertheless, the power of the Order diminished rapidly, so that "by 1900 it was practically dead."[1]

D. The American Federation of Labor.

During the decade of the 1880's, when the Knights experienced their greatest strength, as well as the beginning of their disruption, a new labor organization was in the throes of being born. Since this Organization, the American Federation of Labor, throve while the first great "industrial" union disintegrated, we shall have to study both processes concurrently in this retrospection.

The American Federation of Labor was organized, as such, in 1886[2] but it was more than an outgrowth of the "Federation of Organized Trades and Labor Unions of the United States and Canada", for it officially took over the records of its predecessor and agreed to publish Convention proceedings of the earlier body as the first chapter of its own history.[3] It grew, slowly at first, but more rapidly in the decade preceding the turn of the century, until, by the time of the World War, it came to be recognized as the largest representation of American workmen. It supplanted an organization that was, in some respects, a precursor of the idea which now reappears, to challenge the Federation. Why did it develop in the first place?

Referring again to the data contained in Tables II

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[1] Daugherty, C. R.: Labor Problems in American Industry, p. 440.

[2] American Federation of Labor: Proceedings, 1886.

[3] Ibid

through VII, indicating the trend toward the development of an industrial society in continental United States, we find no reason to believe that this trend has altered very much, after 1880. Although the rate of increase slowed down a little, actual operated railroad mileage continued to increase (See Table II). Export and import figures for 1890 show a slight faltering, but foreign commerce had recovered its lengthening stride by 1900 (See Table VII). Literally millions of additional workers found employment in the manufacturing industries, and the use of mechanical horse power, in manufacturing, almost trebled in the twenty years from 1879 to 1899 (See Table VI). Immigration figures swelled furiously, especially during the early 'eighties (See Table III).

This was a basic factor in changing the character of the labor supply. The hundreds of thousands of annual arrivals had to have work, and the ebb phases of the business cycle gave signs of saturation in labor market. One of the leaders of the Knights of Labor wrote in 1886 that there were, he believed, at least 2,000,000 unemployed persons.[1] An authoritative source estimated that in 1887 of 816,470 persons gainfully employed in Massachusetts, 214,589, or 29.59%, were unemployed, on an average of 4.11 months during the year.[2] If this proportion may be assumed to have been general, and if it be applied to Census data for the preceding Census year, 1880, we would find

[1] Simonds, J. C.: The Story of Labor in All Ages, p. 500.

[2] Massachusetts Bureau of Labor Statistics: Annual Report, Boston: 1887.

that of the 17,392,099 persons reported as gainfully occupied,[1] 5,146,342 were thus unemployed something over one third of the time. Considering the increase in numbers of gainfully occupied persons during this decade, the earlier estimate of 2,000,000 unemployed, for the year 1886, is probably not at all unreasonable. The skilled tradesman found himself in competition with the foreign influx. That these immigrants could and did enrich our "American" culture is not to be doubted, but analysis of the Census data reveals that they were not ordinarily skilled as workmen, one writer declaring that of all "immigrants with occupations about 1% are professional, about 22% are skilled artisans, and 76% are unskilled laborers".[2] The Census reports on illiteracy indicate its wider prevalence among the foreign-born than among the native born whites.[3]

Table IX
ILLITERACY PER 100,000, by CENSUS YEARS

Census Year	All Classes	Native Whites	Foreign-born Whites	Negroes	Other Races
1880	17.0	8.7	12.0	70.0 *	-
1890	13.3	6.2	13.1	57.1	45.2
1900	10.7	4.6	12.9	44.5	44.5
1910	7.7	3.0	12.7	30.4	31.6
1920	6.0	2.0	13.1	22.0	25.6
1930	4.3	1.5	9.9	16.3	25.0

* "Other Races" were included with "Negroes" in 1880.

[1] Bureau of the Census, United States Department of Commerce 13th Census: Population, Vol. IV., p. 41.

[2] Smith, R. M.: p. 114

[3] Bureau of the Census, United States Department of Commerce Various years, Population, Vols.

The attendent heterogeneity and lack of orientation and integration made it difficult to organize and hold the loyalty of these persons.

Furthermore, the world's most wonderful "W.P.A.", was coming to its last stand. Mr. Adams' "Epic of America", already referred to, indicates the blank wall that faced most people taking flight from depressions by moving westward, after 1890. The concealed subsidy to private enterprise of giving a quarter section of land to the unemployed, could not be continued much longer. A most interesting chart was published in "The Story of Labor in All Ages", showing the States where the unoccupied lands in our public domain lay, in June, 1885. The text elaborates "this makes exclusive of Alaska, a total of 478,288,337 acres. On June 30, 1882 (therefore only three years previously) unoccupied public lands amounted to 1,814,793,938 acres, the decrease having been 1,336,505,601 acres. If this appropriation of the public domain should continue for only a short time longer, at anything like this rate, it would be speedily exhausted. But it must be further remembered that the lands taken up have, in all cases, been the most valuable, and that a large proportion of those still available are uncultivable or poor".[1] According to this source, then, only 26% of the public lands available in 1882, remained in 1885, and if taken up at the prevailing rate, it would hardly have lasted a year longer. Of course, the rate changed, but by 1890 all the good land was in private hands and pioneers

[1] Simonds, J. C.: The Story of Labor in All Ages, p. 700.

went West in Pullman cars.[1] Congress did take some notice of the situation, passing the Dawes bill, which provided for granting lands to Indians as individuals. The time of illimitable land grants was over.[2] As a safety valve for industrial over population, therefore, the physical frontier hardly continued to be a factor.

The new labor movement, developing among those with skilled trades, recognized the increasing tendency toward national industrialization, and it sought to intrench itself into the most favorable economic position attainable. In the Call to organize the "Federation of Organized Trades and Labor Unions of the United States and Canada" we find expression of this recognition in these words of the corresponding secretary. "Only in such a body,- a more perfect combination of labor, one that will concentrate our forces so as to more successfully cope with concentrated capital, - can proper action be taken to promote the general welfare of the industrial classes..... When capital combines, Labor must amalgamate. Agitate! Educate! Consolidate!"[3] Their preambolic declaration of principles also stressed the "struggle going on in the nations of the civilized world, between the oppressors and the oppressed of all countries, a struggle between capital and labor...".[4]

Guiding spirits of the new movement were Messrs Strasser

1 Paxon, F. L.: The New Nation.

2 Ibid

3 American Federation of Labor: Proceedings, 1881, p. 6.

4 Ibid

and Gompers, "malcontents of the Cigarmaker's National Union,"[1] and although they may or may not have believed in the basic desirability of a "more perfect combination of labor" that would "concentrate its forces," the organization which they did build did not embody these features. It began in an exclusiveness aiming to foster the peculiar wants of a specific trade, rather than that of labor in general, for it was interested in getting all it could for its own constituency, with little regard for the future of society.[2]

Professor Ware, of Wesleyan University, traces this spirit of exclusiveness to Gompers' activity in his own union, (local 144 of the Cigar Makers International) even before 1881. He and Strasser were able to concentrate authority in their own hands, by financial policies, and by adding "benefits" to the things the union offered its members. These "benefits" became a legitimate excuse for raising the dues, and thus it was possible to eliminate the poorer groups, the immigrant tradesmen, referred to by Strasser as "the tenement house scum", from membership in the union.[3]

The skilled "have's" in labor faced the unskilled "have nots" in their earliest debates in the Convention of the new organization. The first argument arose over the wording of the name. Gomper's committee suggested "Federation of Organized Trade Unions of the United States of America and Canada."

[1] Duagherty, C. R.: Labor Problems in American Industry, p. 44.
[2] Orth, S.: The Armies of Labor, p. 87-120.
[3] Ware, N. J.: Labor in Modern Industrial Society, p. 190 f.f.

But a Mr. Layton, of one of the represented district assemblies of the Knights of Labor, together with certain others, objected to this name, feeling that it might be used to exclude "laboring people" such as "longshoremen", "Common labor" (colored), "miners", "local painters", etc. He said, "I am opposed to excluding from the Federation all organizations except those of skilled mechanics. The Knights of Labor wish to be with you and they embrace all laborers".[1] Gompers tried to smooth things over, saying the position expressed was a misconstruction of the meaning of the Committee, and that "any working man who believes in and belongs to organized labor" was to be included, but the Convention was skeptical, and it amended the name to include "Organized Trade and Labor Unions", in which form it was adopted.[2]

The form of organization was another point of contention, but it is also indicative of the adroitness with which the protagonists of trade or craft unionism handled the situation. Mr. Mark W. Moore, chosen as corresponding secretary by the group which held the initial meeting, at Terre Haute, Indiana, in August, 1881, to issue the Call to the first actual Convention, in Pittsburgh, in November of the same year, could not be present at Pittsburgh, but sent a letter along with his reports, to the major gathering. In this letter he suggested that "it should be the aim of this Congress to form a plan of organization so just and comprehensive in its entirety and

1 American Federation of Labor: Proceedings, 1881, p. 15-16

2 Ibid

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[1] American Federation of Labor: Proceedings, 1881, p. 13-15
[2] Ibid

working details as to come fully up to the great needs of the hour, so that into its ample folds might be gathered the representatives of all the trades in our country, putting an end to the antagonisms and jealousies among workingmen and different organizations of labor."[1]

Also present at this first Convention was a Mr. Burgman, sent by the "Representative Assembly of Trades and Labor Unions of the Pacific Coast". On the Convention floor he read a proposed plan of organization which recommended that the unions of kindred occupations, in addition to maintaining their separate organizations, amalgamate under such industrial headings as "Iron", "Building", "Clothing", "Leather", "Printing", etc. in order to maintain solidarity and unison through a centralized executive office handling affairs of occupationally interrelated groups.[2]

On the afternoon of the same day, a Committee on "Plan of Organization" was appointed. It did not even include Mr. Burgman. Mr. Gompers of the Cigarmakers was its chairman, while Messrs. Brant of the International Typographical, Howard of the Cotton and Mule Spinners, Sommers of the Iron Workers, and James Lynch of the New York City Central, were its other members.[3] With representatives of the craft groups predominating, these men devised the Plan under which the Federation has, ever since, operated, namely "a loose federation of

1 American Federation of Labor: Proceedings, 1881, p. 14.

2 Ibid, p. 12.

3 Ibid,

member bodies, each of which has its own government, determined by its own needs and requirements, the result of the experiences of its own members. The right of self-government was recognized in the beginning---- The Federation has no powers except those which are authorized and conceded by the organizations which compose it".[1] Cardinal structural principles, therefore, include independence, autonomy, and separate identity of the national member unions, in which the true strength or weakness of the Federation lies. We can only speculate whether or not there might have been less internal strife and jurisdictional controversy, as well as greater adaptability in the changing affairs of organized labor, if some of the ideas of Messrs. Moore and Burgman had been incorporated into the organic structure, as well as into the written records, of the Federation.

The trade unionists again demonstrated their basic economic interest, as well as their parliamentary skill, when representatives of the Knights of Labor introduced resolutions calling for social reform, which would have given tangible expression to the elements of conflict referred to in the preamble. But the Convention chairman neatly ruled them out of order as being extraneous.[2] Thereafter the trade-unionists drew up the platform, constitution, and resolutions[3] which

[1] Gompers, S.: The American Labor Movement, p. 7.

[2] The American Federation of Labor; Proceedings, 1881 p. 14 ff

[3] Lorwin, L. L.: The American Federation of Labor, p. 12.

summed up the demands of the skilled workers. Their primary concern seems to have been the protection of the American labor market, as they centered their demands around child labor laws, restriction of immigration, prison and foreign contract labor laws and employer's liability.[1]

The leaders may have been skillful in their handling of men and issues, but the fact that the skilled artisans and mechanics were willing to follow this leadership remains. National craft unionism promised immediate economic gain, in the here and now, to all its membership, which was not requested to wait for a national economic millenium to have become an accomplished fact, before the benefits would begin to accrue. Concentration of energies upon particular needs, by craft or trade groups, had won specific advantages for memberships before, and the Leaders of the Knights of Labor placed common interests of all wage earners so far above the interests of specific occupational groups, that the skilled saw advantage in following their own groups, looking toward more immediate results.[2]

Rightly or wrongly, says Professor Ware, the public began to associate agitation, strikes, riot, murder, anarchy, boycott and Henry Georgism with the Knights of Labor, and turned against the Order, which collapsed.[3] The Knights had hoped to

[1] The American Federation of Labor: Proceedings, 1881.

[2] Estey, J. A.: The Labor Problem, p. 29.

[3] Ware, N. J.: Labor in Modern Industrial Society, p. 258.

enlist the support of the skilled trades in their efforts to raise the status of the common laborer, but the skilled workman, brought up on the joint philosophies of individualism and economic competition, placed the rights of tradesmen above the rights of man, insisting that for them to help the unskilled would be to jeopardize their own position of advantage, causing them to "sink to the levels of pauper labor."[1]

Rather than becoming the leaven in a movement to better the position of the working classes, as was their avowed profession, they undertook to "relieve labor of its 'lunatic fringe', supplant the Knights of Labor, and block the organization of the 'new immigration', which was filling mine, mill, and factory, renouncing the wider purposes of organization and destroying the general labor movement, in order to build up an aristocracy of labor, with a narrow craft philosophy".[2] So when the Knights began to lose important strikes, the Federation forged a place for itself.

Although this conservative move was a strategic retrenchment of certain craft unions, we must not lose sight of the fact that industry had not yet been integrated to the point of obviating the necessity of employing skilled labor, which did have peculiar interests meriting consideration not always accorded to them by the Knights of Labor. The skilled workers

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[1] Beard, M. A.: A Short History of the American Labor Movement, p. 120-121.

[2] Ware, N. J.: Labor in Modern Industrial Society, p. 258-259.

were integral units of the industrial machine, and when the central industrial union treated them as anachronisms, they rose to defend their rights.[1] Beside this, the heterogeneity of the unassimilated immigrant population precluded the possibility of building a solid union comprising the bulk of the common laborers.

E. Independent Unions.

Unions of workers not affiliated with the American Federation of Labor or any other general collaborative superstructure, have long been active parts of the labor movement. Among the oldest of these are the major national railroad brotherhoods, which originated during the days when our economic activities began to take on a national flavor, exemplified by such elements as the completion of the Union Pacific trail, in 1869, the adoption of a standard, synchronized set of railroad time tables, about 1883, the Supreme Court's recognition of the fact that individual States were powerless to regulate rail traffic, under a Vanderbilt, Huntington, or Gould and the passage of the Interstate Commerce Law, in 1887.[2] These groups, known as the Big Four Brotherhoods, including the Locomotive Engineers, the Firemen, the Conductors, and the Trainmen, because of the skill and strategic importance of their jobs, have been conservative, building up reserves and keeping aloof from proferred affiliation with other groups.[3]

[1] Lorwin, L. L.: The American Federation of Labor, p. 26.

[2] Paxon, F. L.: The New Nation.

[3] Daugherty, C. R.: Labor Problems in American Industry, p 479 480.

They have consistently built up their memberships, until, in 1935, they reported a total enrollment of 286,160, or 86% of the 330,740 registered in the 16-odd independent unions of railway employees, or 48.8% of the number (585,744) found in all the independent unions in 1935.[1] The maintainence-of-way forces are far less effectively organized and more exploited.[2]

Many other independent unions, outside of such special groups as governmental employees, have differed with the American Federation of Labor, and therefore developed independently. The rise of the Industrial Workers of the World, with its revolutionary rather than acquiescent philosophy[3] was mentioned in the first section of this treatise as an example of this process. It carried the One Big Union idea along for a generation, still having an active program and a membership of 34,000.[4]

In 1920 a left wing organization calling itself the Trade Union Educational League, aiming to develop militant minorities within the standard trade union, and through them to agitate for economic and political change, was formed.[5] In 1929 its 70,000 members decided to become a bona-fide labor organization, preaching the principles of class struggle and

1 Handbook of American Trade Unions, 1936, P.P., 56 to 333.

2 Labor Research Association: Labor Fact Book, No. II, p. 113.

3 Handbook of American Trade Unions, 1936, p. 333.

4 Bureau of Labor Statistics: Organized Labor Movement in the United States, 1929 to 1937, Serial No. R-513, p. 36.

5 Handbook of American Trade Unions, 1936, p. 14.

and the organization of labor, and advocating the replacement of capitalism and the adoption of socialist forms of institutions.[1] Its active policy was to "further the organization of new industrial revolutionary unions in industries where there are no unions, and in industries where existing unions are corrupt and impotent."[2] It was active in strikes, organized some of the semi-skilled and unskilled, building up its "Needle Trades Workers' Industrial Unions" till it listed 30,000 enrollees, and growing generally till it had a total of 125,000 members by 1934.[3] But on March 17, 1935, it disbanded, going back to its earlier educational policies, hoping to change the standing unions from within, thereby spreading its economic propaganda.[4] As a labor union it no longer exists, but the idea lives on.

Only one other general independent industrial labor union is currently active. It is the American Labor Alliance, with 8,000 members, less rabid in its approach, but arising as a countermove of factory and mass-production workers against the craft limitations of the old line unions."[5] The expressions of such an organization may be weak, but its existence is

[1] Labor Research Association: Labor Fact Book, No. I, P. 135 ff

[2] Handbook of American Trade Unions, 1936, p. 14-16.

[3] Labor Research Association: Labor Fact Book, No. 2, p. 116.

[4] Handbook of American Trade Unions, 1936, p. 14-16.

[5] Bureau of Labor Statistics: Organized Labor Movement in the United States, 1929 to 1937, p. 36.

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indicative of the dissatisfactions with the structure of the exclusive trade-craft unions, which presumed to represent "labor".

F. Company Unions.

One additional element of worker organization must be referred to in this sketch. This is the employer-fostered union, variously called "Company Union", "Work Council", etc. About a dozen came into existence between 1898 and 1915[1] when John D. Rockefeller, Jr. had occasion to apply it to the turbulent affairs of his "Colorado Fuel and Iron Company", after the workers' clamor for union recognition plus management's refusal of such recognition, had resulted in the blood and charcoal of the Ludlow Massacre. Rockefeller wanted his workmen to have "the advantage of membership in the union" without recognition of the United Mine Workers, so he turned toward the paternalism of "management organization in the mining camps".[2]

In the years following it came into extensive use, especially by the larger firms, and those in the heavy industries. The general increase is indicated by the data presented as Table X.[3]

[1] Daugherty, C. R.: Labor Problems in American Industry, p. 779.

[2] Ware, N. J.: Labor in Modern Industrial Society, p. 411.

[3] National Industrial Conference Board: Collective Bargaining Through Employees Representation, p. 16.

Table X

GROWTH OF EMPLOYEE REPRESENTATION IN THE U. S., 1919 - 1932

	1919	1922	1924	1926	1928	1932
No. Co.s using emp. repres.	145	385	421	432	399	313
No sep. coun. in oper.	196	725	814	913	869	767
No. work. covered by plans	403,765	690,000	1,240,704	1,369,078	1,547,766	1,263,194

Stimulated by government interest in uninterrupted production during the war crisis, the Works Councils were set up, and the trend continued for several years. The greatest increases occurred between 1919 and 1924, at the same time that trade union membership suffered its greatest reverses, dropping from a peak enrollment of 5,110,800, in 1920, to a mere 3,746,600, in 1924.[1] As indicated by Table X, this structural device receded in importance during the 1928 - 1932 period. Although comparable inclusive data for years beyond 1932 is apparently not available[2] it is probable that the passage of the National Industrial Recovery Act stimulated the adoption of more "company unions". However, the National Industrial Conference Board, in November, 1933, and again in May, 1934, sent questionnaires to the offices of manufacturing and mining firms capitalized at $500,000 or over, requesting information on methods of dealing with employees. A total of 2,975 com-

[1] Wolman, L.: Growth of American Trade Unions, p. 32 and 122.

[2] Letter to writer from National Ind. Conf. Board dated September 8, 1937.

panies returned usable reports in both instances, and the following, as Table XI, has been drawn from the public release.[1]

When we consider that 67.3% of these companies, employing only 39.3% of the workers, dealt "individually exclusively", while only 18.1% of the firms, employing, however, 35.5% of the workers, dealt through "company unions", it is evident that it is the larger firms that make most use of this device. The relative weakness of labor unions, when seen as part of the industrial system here represented, is also worthy of note. That the larger companies, some of whom maintain more than one industrial unit, and therefore more than one "Works Council", tend to deal with employees through their own unions is again evidenced by the fact that 2% of the firms, employing 13% of the workers, dealt individually with 3% and through the firm's union with the remaining 10% of the total number of workers. Other data, included in the report, but not in Table XI indicate that of the 1,073,912 wage earners, working for 2962 firms, dealing with employers through Company Unions, 429,739 or 40.01% of the total, worked for the 2929 or 98.9% of the firms employing up to 10,000 persons each, while 644,173 or 59.99%, worked for the 33 firms employing 10,000 or more persons each.[2] Examination of the data for May 1934 shows these emphases to be more rather than less marked at that time.

[1] National Industrial Conference Board, 1934: Individual and Collective Bargaining in May, 1934, p. 9-12

[2] Ibid, p. 13.

Table XI

DISTRIBUTION OF WAGE EARNERS IN 2975 COMPANIES ACCORDING TO METHOD OF DEALING WITH EMPLOYERS

Method	Companies		November 1933							
			Wage Earners							
	Number	%	Individually		Employee Representation		Labor Unions		Total	
			Number	%	Number	%	Number	%	Number	%
Individually Exclusively	2001	67.3	941,962	39.3					941,962	39.3
Employee Rep- Exclusively	538	18.1			801,414	33.5			801,414	33.5
Labor Union Exclusively	198	6.7					167,148	7.0	167,148	7.0
Ind. & Emp. Rep.	60	2.0	70,815	3.0	246,192	10.3			317,007	13.2
Ind. & Labor Union	137	4.6	76,018	3.2			36,693	1.5	112,711	4.7
Emp. Rep. & Labor Union	23	.8			18,275	0.8	8,315	0.3	26,590	1.1
Ind., Emp. Rep. & Labor Union	18	.6	15,561	0.6	9,181	0.4	3,255	0.1	27,997	1.2
Total	2975	100.0	1,104,356	46.1	1,075,062	44.9	215,411	9.0	2,394,829	100.0

As this is being written it is probably impossible for anyone to know the exact importance of "Company Unions" as agencies for workers' expression. That many still exist is certain: that many others have dissolved, because of the passage of the National Labor Relations Act, is also true. Under date of August 30, 1937, Ralph D. MacManus, of the Armour Packing Company wrote, "The employee representation plan is no longer in effect by reason of the requirements of the New Federal Labor Relations Law. It was the opinion of our attorneys that our employee representation plan might possibly be in conflict with the new law and therefore, in effect, it was discontinued...."[1] To our knowledge, no data revealing the extent of this practice has been published, to date.

The adoption of an "employee representation association" by an employer,is, generally speaking, calculated to be an economic move. The interest of the employer is indicated by the following extract, taken from the National Industrial Conference Board's own analysis of labor's attempt to organize under pressure of labor unions and the stimulus of legal sanction under the National Industrial Recovery Act." A number of employers, particularly those with large working forces, encouraged the formation of employee-representation associations within their companies in order to provide a mechanism for collective bargaining that would be free from interference or

[1] Letter to the writer.

dictation by labor union officials."[1] That employers use this form of organization to give them retention of certain strategic influences may be deduced by interpretation of the statement that "Labor union protagonists insisted that only through an organization of their own, completely divorced from the influence of the employer, could employees bargain collectively on equal terms," etc.[2] which position is not subscribed to by the employers, who feel that collective bargaining is possible under such conditions, but they do not attempt to refute the premise that the workers affairs are not divorced from the influence of the employer.

At another place, after referring to large groups of workers who are "satisfied under employee-representation," they point out that there are "some employees (who) have been so unfairly treated by their employers, that they feel the need of a defensive alliance with other workers to resist exploitation, and they welcome the opportunity to affiliate with organized labor."[3] If some employers take such advantage of their workers, and if organized labor is the answer to the problem, as the Conference Board here implies, then certainly such labor organization gives the worker additional leverage in bargaining, and the employer-fostered council or union becomes an employers' tool for maintaining economic power.

[1] National Industrial Conference Board, 1934: Individual and Collective Bargaining in May, 1934, p. 1.

[2] Ibid

[3] Ibid, p. 4.

G. Summary.

At the time of the genesis of the present insurgency in the ranks of organized labor, therefore, the position of supremacy was held by a loose federation of individually powerful craft and trade unions, which had an active enrollment of less than 4,000,000 members[1] and which had only the partial support of some 585,000 members of independent unions.[2] Hardly one in ten were in unions, for the total union strength was probably not over 4,500,000, or less than 10% of 48,829,920, the sum returned by the Census Bureau as the number of persons in Continental United States who were gainfully occupied in 1930.[3]

The insurgency set forth its position with considerable elaboration, saying it did not "oppose the craft unions or their development, except in mass production industries where their jurisdictional claims are at best but theoretical, and have never been, and cannot be, realized" for they said they recognized" a place for both forms of trade unions in a progressive and militant labor movement,"[4] for the C.I.O. opined that it could not view such a situation as that described in the last paragraph as being satisfactory "In an industrial and

[1] Handbook of American Trade Unions, 1936, p. 7.

[2] Ibid, p. 56-333.

[3] Bureau of the Census, United States Department of Commerce 15th Census, 1930: Population, Vol. V, p. 37.

[4] Open letter from the C.I.O. to William Green, dated July 21, 1936.

~~and~~ economic setup in which industry is highly organized, well centralized, and subject to controls by a powerful leadership."[1] So it set about to change the structure of American Labor Unionism.

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[1] Committee for Industrial Organization: Industrial Unions Means Unity, 1937, p. 19.

CHAPTER III

Economic Factors in the Labor Union Crisis

The organization of labor being primarily an economic move, through which the individual workman hopes to increase whatever bargaining strength he has, in relation to that of his employer, we must study the socio-economic history of our country in order to appraise the current surge toward the "horizontal" or industrial form of labor organization. Factors in the integration of industry, prompted by the intensive extension of technological change, have combined to consolidate and to centralize control, setting the industrial stage for parallels in the organization of labor.

A. The Integration of Industry.

1. Technological developments. - Technological change, the invention and perfection of machinery designed to reduce the man power required in the production of a given unit of industrial output, is so patent a fact, has been made the subject of so many books, and is so obvious in the life of every citizen, that its proof need not be undertaken anew in this treatise. However, we may indicate some of the effects it has had on labor.

From the time when the Industrial Revolution struck England, up until the present, labor, whose burdens were to be relieved by mechanical contrivances, has been only luke-warm or even positively antagonistic toward the introduction of notable changes in the technique of production, "fearing lest

such changes should not only redound to the benefit of the employing class, largely, but lest their own status in society be reduced thereby."[1] People found that to be a "be-er", that is to have a chance to live respectably, one had to be a "do-er", which means that one must have employment from some one else, in an industrial society. The writer has seen the wrecks of some of the earliest grain binders brought into certain mid-western sections, wrecked by the farm hands who felt that these machines jeopardized their chance to earn a livlihood. They feared for their "chance to be."

Writers of 50 and 60 years ago already elaborated the details of "technological unemployment", as it came to their attention". "The Story of Labor in All Ages", written about 1887, and already referred to in previous sections, contains a chart depicting "the displacement of manual labor by machinery", and asserts that from 5% to 99% fewer employees were required with the machinery then in use, in a long list of specified industries.[2] It may be true, as some economists maintain, that each invention that displaces men one place, replaces them somewhere else, in the long run, in the economic scheme of things. Presumably, however, the six years between 1921 and 1927 were not sufficient for this to occur, for it is estimated that while factory production increased 16% during this time, factory employment diminished 11%.[3] Apparently the function-

[1] Estey, J. A.: The Labor Problem, p. 164.

[2] Simonds, J. C.: The Story of Labor in All Ages, Apprendix, p. 680.

[3] Evans, Clark: The New York Times, Feb. 26, 1928

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1 Estey, J. A.: The Labor Problem, p. 164.

2 Simonds, J. C.: The Story of Labor in All Ages, Appendix, p. 580.

3 Evans, Clark: The New York Times, Feb. 26, 1928.

ing of these processes often requires an interval of time, at any rate, which amounts to acute hardship for the worker.

But even though we should agree to consign the point of "technological unemployment" to the finely grinding wheels of time, these mechanical contrivances have changed the nature of the worker's job. This, too, was recognized as a major factor, from an early date. The Census reports for 1880 contain a series of exhaustive monographs, written as special reports, on such subjects as "The Factory System", "Manufactures of Interchangeable Mechanism", "Hardware, Cutlery, and Edge Tools", as well as certain other specific industries.[1] In one of these reports, Eli Whitney is credited with having been among the first to experiment with "Interchangeable Mechanisms", systematizing the work of making metal parts of articles on a uniform pattern, in large numbers, and then employing unskilled workmen, at lower wages, to do the filing and fitting, under his own supervision, thereby succeeding in executing a contract that caused the failure of his competitors, who employed skilled labor - filers, gunsmiths, etc. - to do the work. That was "early in the 19th century", and the report indicates that whereas that method may have required much filing, the 1880 standards were less crude, the work requiring even less skill, involving merely the "slipping in of a piece and the turning of a screwdriver", achieving thereby a "close, even fit."

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[1] Bureau of the Census, United States Department of Commerce: 10th Census Report, 1880. Manufactures.

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[1] Bureau of the Census, United States Department of Commerce: 10th Census Report, 1880. Manufactures.

As early as 1815, "it was recommended that pattern muskets and rifles be made and distributed to the various armories, public and private, for the insuring of practical uniformity". A few years later, in 1840, Thomas Warner, a master armorer at the Springfield armory, introduced milling machinery, driven by extraneous power, to secure uniformity and interchangeablility of parts, and further to reduce the need for skilled workmen.[1] The inescapable and freely stated general conclusion to these reports is that the methods of mechanizing industry were invading the ranks of skilled labor, because the old skills were no longer required in the same intense degree. This process has gone on, and in our day we find the workers in the mass-production industries, the economic heirs of the Whitney and Warner ideas, voicing protest against what they consider to be the monopoly of craft unionism as it claims to represent "labor". This conception emphasizes the initial development of the American Federation of Labor as a "strategic retrenchment of certain craft unions", fearful of their ability to maintain supremacy among labor if they should become organically united with all of labor, as the Knights of Labor desired them to do.

By our time this process has changed the nature of the worker's job to a phenomenal extent, in much of industry. Men still work with the old materials, steel, textile, leather, etc. but the skill developed by long apprenticeship is no longer as

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[1] Bureau of the Census, United States Department of Commerce: 10th Census Report, 1880. Manufactures, p. 618 f.f.

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By our time this process has changed the nature of the worker's job to a phenomenal extent, in much of industry. Men still work with the old materials, steel, textile, leather, etc. but the skill developed by long apprenticeship is no longer as important a requisite. In the factories of the Ford Motor Company, 43% of all jobs require not more than one day's training, 36% require from a day to a week, 6% from one to two weeks, 14% require from a month to a year, and for only 1% of the jobs is the training period more than a year long.[1]

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[1] Bureau of the Census, United States Department of Commerce: 10th Census Report, 1880. Manufactures, p. 618 ff.

The processes of production used by Ford, and requiring so little actual skill, are general in the mass-production industries, and by no means peculiar to his establishments. The idea of a travelling belt, which underlies the principle of the assembly line, was first crystalized in the General Motors Corporation plant, about 1913.[2] The belt or conveyor systems are specially adapted to large factories, with mass production objectives, where wages need not be depended upon for an incentive, since the worker is chained to the pace of the line. And "when the plant was turning out a thousand cars a day, those who had the job knew that by increasing the speed of the assembly line one minute in an hour, they would get sixteen more cars that day",[3] which was what the sales forces were clamoring for. Once tried, it could be repeated later, It was the best sure-fire speed-up device yet introduced. Unskilled workmen did the jobs. And they were unorganized and

[1] Ford, H.: My Life and Work, Quoted in "Social Problems Visualized", the National Forum, Chicago, Illinois, 1937.

[2] Sinclair, U.: The Flivver King, p. 26.

[3] Ibid, p. 27.

helpless. Other manufacturers did the same thing. "In 1918 the belt in the Hudson motor plant moved 3 feet per minute: in 1928 it was going 13 feet per minute". Again, "in 1930 the Victor Radio factory cut from 10 to 8 seconds the time during which the belt holds the set in front of a worker. Wages remained at the same hourly levels, and the plant was set to work only four days per week instead of five".[1] Perfected adaptations of these techniques were adopted in every industry where it was practicable. American machinery was used, whereby relatively unskilled workmen could make the cheaper grades of watches, but undoubtedly putting many skilled watchmakers, here and in Switzerland, out of work.[2] Concommitant with technological change, the workers job has been reduced from a pride-inducing skill to a routinized manipulation, in many of our industries.

2. Corporate form of organization -

Modern workers have become separated from the tools, machinery, and equipment, which are essential means of production in industry. These are gathered together in factories, the typical unit of which must be large for the sake of economy, and which, because of its size, requires the accumulated capital of many individuals, none of whom could hope, under average conditions, to amass the required fortune individually. This "need for an increased capitalization lead to the in-

[1] Labor Research Association: Labor Fact Book, No. I.

[2] de Beltgens, G. H.: Economic and Industrial Progress of the Century, p. 461.

dustrial combinations",[1] which represent another important link in the integration of industry.

Outright consolidation of industry reached a peak about the time of the turn of the last century, and represented a forerunner of the corporation, which has done much to centralize control and strengthen the hand of the employing group. Table XII records the numbers of consolidations, with the respective capitalizations of the consolidating firms, during the 15-year period from 1890 to 1904.[2] By definition of Professor Watkins, who originally compiled the data, local mergers, public utility consolidations, those held under a foreign charter, and those capitalized at less than a million

Table XII
INDUSTRIAL CONSOLIDATIONS, 1890 - 1904

Year	Number of Consolidations	Capitalization
1890	11	$ 137,611,500
1891	13	133,597,167
1892	12	170,017,000
1893	5	156,500,000
1894	-	-
1895	3	26,500,000
1896	3	14,500,000
1897	6	75,000,000
1898	18	475,250,000
1899	78	1,886,050,000
1900	23	294,500,000
1901	23	1,632,310,000
1902	26	588,850,000
1903	8	137,000,000
1904	8	236,194,000
Totals	237	$5,963,879,667

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[1] Estey, J. A.: The Labor Problems, p. 4.

[2] Twentieth Century Fund; Big Business: Its Growth and Its Place, p. 29.

dollars, "have of necessity been excluded from consideration", but the data is indicative of the tendency for large firms to combine further, in order to centralize economic power.

It will be observed that the most extensive use of this device occurred during the five years between 1898 and 1902, when more than 70% of the consolidations effected during the entire 15 year span, with more than 80% of the capitalization involved, were completed. It was assumed, as we in America still do, that "bigger" was of necessity "better", and industry began to lead the way to enormous concentrations.

The Supreme Court decision on test-cases of consolidations as violations of anti-trust legislation, e.g. the case of Northern Securities Company vs. United States, in 1904,[1] reduced the numbers of mergers. But there was increasing need for enormous capitalizations, so industry, in looking for a new device, turned to the corporate form of organization.

The advantages of incorporation are many, especially in a period of industrial development. These include "(1) autonomy, or the right to sue and to be sued in the corporate name, the right to control property and to enter into legally binding contracts; (2) continuity of existence, going so far as perpetual life in twenty-three states; (3) limited liability of shareholders; (4) flexibility of management; (5) easy transfer of shares of stock, and through them of ownership and control; (6) elasticity of capital; (7) release of shareholders

[1] Twentieth Century Fund: Big Business: Its Growth and Its Place.

and other beneficiaries from the responsibility of management; (8) moderate fees for incorporations; (9) all-embracing or blanket charters under which almost any conceivable development of the original corporate purpose become possible; and (10) opportunity afforded ambitious business men to command the capital of minority investors without surrendering control of the business."[1]

Lured by these legal and industrially practical inducements, and prevented from the outright consolidations, American business men turned to incorporation until, as Table XIII indicates, the character of ownership of American enterprise swung toward it as a flow tide, during the years 1900 to 1929.[2]

The proportions given for 1900 and for 1929, however, are not strictly comparable with those of the other years, because the Census Bureau changed its basis for recording at these times, beginning in 1904 to exclude establishments with an annual value of products of less than $500, and in 1929 setting this lower limit at $5000. In the accompanying text the Bureau itself gives warning that this factor caused a definite bias to the proportion reported as being under corporate owner-

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1. Seager, H. R., and Gulick, C. A.: Trust and Corporation Problems, p. 23.
2. Bureau of the Census, United States Department of Commerce: 12th Census, 1900, Manufactures, Vol. 7, Part 1; 13th Census 1910, Manufactures, Vol. 8 p. 144-145, 150, 174-175, 178-179; 14th Census, 1920, Manufactures, Vol. 8, p. 107-108; 15th Census, 1930, Manufactures, Vol. 1, p. 94.

Table XIII
CHANGING CHARACTER OF OWNERSHIP IN AMERICAN ENTERPRISES, 1900 - 1929

Census Year	Character of Ownership - Establishments					
	Total		Corporations		Others	
	Number	%	Number	%	Number	%
1900	512,254	100	40,743	8.	471,511	92
1904	216,180	100	51,097	23.6	165,083	76.4
1909	268,491	100	69,501	25.9	198,990	74.1
1914	275,791	100	78,152	28.3	197,639	71.7
1919	290,105	100	91.517	31.5	198,588	68.5
1929	210,959	100	101,815	48.3	109,144	51.7

ship. The inclusion of a large number of tiny enterprises, in 1900, therefore partially accounts for the low ratio listed as corporations, while the further exclusion of the moderately small enterprises, in 1929, unduly accentuates the apparent proportional increase in the use of this device. Nevertheless, it is obvious that although there are still many American enterprises managed individually, or as partnerhips, the relative numerical importance of the corporation has increased at an increasing rate.

The Census report for the 1919 data indicates textually that while many bakeries, print shops, etc. are still controlled by individuals and partnerships, corporations abound "where a large investment in machinery and plant are necessary," especially in the processes of refining and smelting and in such enterprises as the manufacture of rubber, hose, belting, linen, pencils, screws, wooden wares, chemicals, and iron and steel. It is especially in these same industries that the workers have felt the urge for industrial unionism.

The actual strength of these corporations, with whom the

individual workman was supposed to bargain, is partially portrayed in Table XIV,[1] which indicates the distribution of wage earners by the character of ownership of the employing organization, for 1900 to 1929.

Table XIV
DISTRIBUTION OF WAGE EARNERS; CORPORATIONS AND OTHER EMPLOYERS
1900 - 1929

Census Year	Number of Employees Engaged by:					
	Total		Corporations		All Others	
	Number	%	Number	%	Number	%
1900	no data		No data		no data	
1904	5,468,383	100	3,862,698	70.6	1,605,685	29.4
1909	6,615,046	100	5,002,393	75.6	1,612,653	24.4
1914	7,036,247	100	5,649,891	80.3	1,386,356	19.7
1919	9,096,372	100	7,875,132	86.6	1,221,230	13.4
1929	8,838,743	100	7,945,478	89.9	893,265	10.1

Here the Census Bureau's warning about the bias in proportions due to the changed basis for listing, is of no significance, according to their own statements, and we see that the relatively few corporations, in only one case more than a third of the total number of enterprises, has controlled all the way from upwards of 70% to almost 90% the wage earners in all American enterprise. In much of American industry, the day of personal acquaintance between employer and employee ceased to exist when the impersonal, soulless, corporate form of business organization came into general use, but this form of organization has played an important part in the integration of our national industrial life.

[1] Bureau of the Census, United States Department of Commerce: 12th Census, 1900, Manufactures, Vol. 7, Part 1: 13th Census 1910, Manufactures, Vol. 8 p. 144-145, 150, 175-174, 178-179; 14th Census, 1920, Manufactures, Vol. 8, p. 107-108, 15th Census, 1930, Manufactures, Vol. 1, p. 94.

The value of the product of enterprise, distributed according to the type of ownership, constitutes another index of the relative importance of the corporation in American business. Table XV[1] shows the value of product, in numbers of dollars and as a proportion of the total, for the respective forms of ownership, geared to portray the relative position of the corporate form, for the years 1900 to 1928.

Table XV
DISTRIBUTION OF VALUE OF PRODUCT: CORPORATIONS
AND OTHER TYPES OF ENTERPRISE - 1900 - 1929

Census Year	VALUE OF PRODUCTS Totals Value in $	%	Corporations Value in $	%	All Others Value in $	%
1900	13,004,400,143	100	7,733,582,531	59.6	5,270,817,612	40.4
1904	14,793,902,563	100	10,904,069,307	73.7	3,889,733,256	26.3
1909	20,672,051,870	100	16,341,116,634	79.0	4,330,935,236	21.0
1914	24,246,434,724	100	20,183,147,103	83.2	4,063,287,621	16.8
1919	62,418,078,773	100	54,744,392,855	87.7	7,773,685,922	12.3
1929	70,434,863,443	100	64,900,690,398	92.1	5,534,173,045	7.9

When this Table is compared with Tables XIII and XIV, all of which are drawn from the same series of sources, it becomes clear that the corporate form of business organization, although numerically the least, engages disproportionately more workers, and produces so much more of the total product that other forms are dwarfed in significance, by comparison.

3. The Holding Company - Control of the giants has been

[1] Bureau of the Census, United States Department of Commerce: 12th Census, 1900, Manufactures, Vol. 7, Part 1; 13th Census 1910, Manufactures, Vol. 8, p. 144-145, 150, 174-175, 178-179; 14th Census, 1920, Manufactures, Vol. 8, p. 107-108, 15th Census, 1930, Manufactures, Vol. 1, p. 94.

centralized far more than the foregoing would tend to intimate, because "concentration can be effected and control exercised in many ways not subject to thorough statistical comparison - for example, through interlocking directorates, holding companies and other forms of investment trusts, trade associations, and banking affiliations."[1] Keeping in mind the fact that the complete story of these instruments can not be found in record, we shall look a bit more closely at the importance and functioning of one of this group.

Of late years the holding company has come into prominence as a device by which centralization of control, extending far beyond physical integration, can be accomplished. As the corporation regiments workers in a plan of production, whether of goods or of services, so the holding company, reaching its strong intangible fingers down into the finances of groups of corporations, regiments them, and consequently the workman in all of them, in a more extensive plan of operation, because whole fields of endeavor, or at least presumptuous parts of such fields, are managed from a common nerve center, intensifying the characteristics of impersonality, which have been attributed to the industrial corporation itself.

This instrument of consolidation was a "rare and abnormal" form of combination, prior to 1888, and even during the next decade, when outright mergers were on the increase, the holding company, harrassed by anti-trust legislation, did not

[1] Twentieth Century Fund: Big Business: Its Growth and Its Place, p. 102.

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This instrument of consolidation was a "rare and abnormal" form of combination, prior to 1883, and even during the next decade, when outright mergers were on the increase, the holding company, harrassed by anti-trust legislation, did not flourish, only one of "the more important monopoly-seeking consolidations formed between 1889 and 1897" being formed as a holding company. The exception was the American Cotton Oil Company, formed early in the period, in 1889.[1] Even during the following hectic merger years, less than 15% of the "important industrial consolidations" were holding companies. It continued to persist, in spite of attacks in legislature and public forum, because it was found to be useful in strengthening financial structure, effecting economies of management, and utilizing the time of the most highly skilled experts, whatever the cost might be.[2]

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[1] Twentieth Century Fund: Big Business: Its Growth and Its Place, p. 102.

The increased use of the holding company is largely a record of the more recent years, prior to the depression, when industrialism was being intensified. Based on an analysis of data in Moody's Industrials, in 1929, involving institutions controlling gross assets (depreciated) of over $86,000,000 each, 21 were pure holding companies, 5 primarily so, and 8 more equally operating and holding companies. Of the 21, only 3 were formed prior to 1910, while 13, more than half, were formed after the war. In contrast to this, "36 out of 63 of the big operating or primarily operating companies were formed before 1910, and only one was formed since 1920."[3] Modern conditions seem to require, or at least to favor, the huge capitalization,

[1] Bonbright, J. C., and Means, G. C.: The Holding Company, p. 64-69.

[2] Ibid, p. 93.

[3] Ibid, p. 78.

and even President Roosevelt had to modify his opposition toward holding companies.

In the public utility field the holding company has made itself especially strong. A single great holding company, the American Telephone and Telegraph Company, dominates the telephone industry, controlling all but a small fraction of the business. Other notable examples could be cited. Of the nation's electric power output, in 1930, 72% was controlled by 10 great groups of systems, 16 systems of holding companies controlled 42% of the national gas sales, and 31% of the traction service, measured in terms of revenue passengers, was directed through holding companies.[1]

To illustrate the way by which a holding company exercises control over an important branch of our national economic life, although the ownership is actually quite widely diffused in terms of the number of people actually owning some share in the book assets, the example of the Pennroad Corporation, a railroad holding company, may be related.

On April, 24, 1929, the Pennroad Corporation was organized, in Deleware, the board of eight directors also being directors of the Pennsylvania Railroad, one being its president. The board decided to place all of its stock, as issued, under a voting trust for 10 years, in order that "there shall be a continuity and stability of policy and management". Of the offering of $87,000,000 worth of voting trust certificates, 95% were taken on a pro rata basis by the 150,000 Pennsylvania Railroad

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[1] Moody's Public Utilities, 1930.

stockholders, the voting trust duplicating the directors and officers of the Pennsylvania Railroad. The ownership was widely scattered, as no single stockholder owned as much as ½ of 1% of the voting stock. Thus, increased by further sale of trust certificates, in December 1929, the result was to supply the company with $140,000,000 controlled by the management of the Pennsylvania Railroad, yet in which the Pennsylvania Railroad, had no technical and legal interest, direct or indirect. By the end of April, 1930, the funds of the Pennroad Corporation had been used to purchase stocks in strategic property, railroad and otherwise, as indicated in Table XVI.[1]

Table XVI
MAJOR HOLDINGS OF PENNROAD CORPORATION
April 30, 1930

Company	% of voting control	Mileage
Boston & Maine Railroad Company	18	2,142
Detroit, Toledo and Ironton RR.	99	517
New York, New Haven & Hartford RR	5	2,707
Pittsburgh & West Virginia R.R. Co.	73	92
Seaboard Airline Railway Co.	14	4,716

Thus the Pennsylvania Railroad used this holding company for its own ends. The Pittsburgh and West Virginia was an important link in a new trunk-line system, proposed by the Interstate Commerce Commission. By controlling this short but important link, the Pennsylvania Railroad could effectively hinder the execution of this proposal. Its interest in the Detroit, Toledo, and Ironton Railroad and the Seaboard Airline Railway has its genesis in the same situation.

[1] Bonbright, J. C., and Means, G. C.: The Holding Company, p. 267.

As the balance of stock-control of New England Railroads is widely scattered, the apparently small blocks held by this holding company, coupled with the fact that the New Haven Railroad has some direct control in the Boston & Maine Railroad, gave the Pennroad Corporation a good deal of control of the principal railroads over all New England.[1]

It is our purpose neither to condemn nor to condone the various devices by which control of industry is centralized. Our interest is in drawing an outline picture of industry, on a canvas sufficiently large to permit us to see the interrelation of the parts. Whether the giants are good or bad is not our concern: we must see that they are, at all events, a phase of our industrialized economy. In the scheme of production, they represent "capital" and the "enterpreneur". We must realize the concentration of economic resources which they represent, ere we can envisiage "labor" in its proper relation to the productive processes.

4. Large Scale Production - In order to continue our presentation of industry's integration, therefor, we must turn to a survey of the scale upon which these giants, whose centralized control we have noted, actually operate.

The period with which we are dealing is the age of the machine, and the measure of mechanical power is the capacity stored up in machinery. The increase in this capacity has been absolutely phenomenal, during the past century. A contemporary

[1] Bonbright, J. C., and Means, G. C.: The Holding Company, p. 263, 264.

German student of economic change has correlated the total of mechanical power stored in machines, by nations or groups of nations, the world over, for certain given years, during the period in question. He says that the horse-power capacity stored in American machinery, expressed in round millions of units increased from 0.3 million in 1835 to 7.8 million in 1875, thence to 86.0 millions in 1913 and 162.0 millions in 1928.[1] In the 15 years between 1913 and 1928 therefore, our total available horse-power has almost doubled. This figure does not include the power of automobile engines. Hausleiter indicates that the stored mechanical energy in Europe increased barely 50% since 1913. However, for the remainder of the world, the world outside of Europe and the United States that is, the horse power capacity of machinery trebled during the period 1913 to 1938. This is laid principally to the new textile industries of Asia, India's iron works, and new or improved plant in Australia and South America.[2] The mechanization process is not peculiar to the United States: it has become essential in world economy.

Our own Census and statistical sources yield data pertaining to the use of primary mechanical power, and we may use it as an approach to the understanding of the development of mass-production in American Industry. Table XVII records the in-

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[1] Hausleiter, L.: *Revolution in der Weltwirtschaft*, Capital I.

[2] Ibid.

creased use of mechanical power in industry.[1]

Table XVII
PRIMARY INDUSTRIAL HORSE-POWER CAPACITY 1869 - 1929

Year	No. of Est.	No. Rep. Power	Total Prim. Horse-Power	Ave. H.P. per Estab.	Horse-Power per 100 wage earners
1869	252,148	no data	2,346,142	-	-
1879	253,852	85,923	3,410,837	39.7	-
1889	355,405	100,726	5,938,635	59.0	-
1899	207,514	133,418	10,097,893	75.5	211
1904	216,180	134,481	13,487,707	100.3	248
1909	268,491	185,042	18,675,376	100.9	287
1914	275,791	205,590	22,437,072	109.1	323
1919	290,105	237,854	29,504,792	124.0	326
1929	210,959	193,969	42,931,061	221.3	486

This table tells the story of the increased use of extraneous energy, not only in absolute figures of total primary horse-power, but also in the grotesquely expanding ratios of horse power units to number of establishments and horse power units to number of wage earners. The expansion of these ratios for the past 20 years for which data is available indicates most strikingly the growing importance of the inanimate slave of extraneous power, in the processes of American manufacturing.

Along with the developments of concentration of control and the increased use of mechanical power, we would anticipate finding increased proportions of American wage earners producing increasing quantities of goods for a relatively few large manu-

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[1] Bureau of the Census, United States Department of Commerce: 14th Census, 1920, Manufactures, Vol. 8, p. 122; 15th Census, 1930, Manufactures, Vol. 1, p. 122.

facturing establishments. That this is true is abundantly demonstrated by Tables XVIII and XIX, which express these developments in terms of the distribution of the establishments, the wage earners industrially employed, and the value of the total product, based upon classifications of establishments according to numbers of wage earners and total value of products per establishments.

Table XVIII
PROPORTION OF WAGE EARNERS IN ESTABLISHMENTS CLASSIFIED ACCORDING TO NUMBERS OF WAGE EARNERS - 1909 - 1933 (1

	1909		1919		1929		1933	
Size Class	% of Est.	% of W.E.	% of Est.	% of W.E.	% of Est.	% of W.E.	% of Est.	% of W.E.
All Est.	100	100	100	100	100	100	100	100
No W.E.	10.3	0.0	13.3	0.0	3.5	0.0	3.2	0.0
1 to 5 W.E.	50.8	4.7	47.4	3.2	45.4	3.1	40.3	2.6
6 to 20 W.E.	21.3	9.7	19.8	6.7	25.4	6.8	28.4	7.3
21 to 50 W.E	8.8	11.6	9.2	9.1	11.9	9.2	13.1	9.9
51 to 100 ""	4.1	11.8	4.5	9.8	5.9	10.1	6.5	10.8
101 to 500 "	4.1	34.2	4.6	31.3	6.6	33.0	7.3	35.1
501 to 2500 "	.7	28.0	1.1	39.9	1.2	26.3	1.1	25.2
over 2500 " "	x	x	x	x	.1	11.5	.1	9.1

x for 1909 to 1919 all establishments with 500 or more wage earners are reported together.

Table XVIII indicates the persistency of the trend toward concentration of wage earners. In 1909, 10.3% of the establishments had no wage earners. In 1929 the proportion of these small shops had dropped to 3.5%. Trends among those employing

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1 Bureau of the Census, United States Department of Commerce; 13th Census, 1910, Manufactures, Vol. 8, p. 185; 15th Census 1930, Manufactures, Vol. I, p. 62; Statistical Abstract of the United States, 1936, p. 734.

less than 5 wage earners run similarly. The largest proportions of the wage earners were found in the relatively few establishments employing the armies of wage slaves. In studying this Table it must be remembered that the time period between the last two basic columns, those of 1929 and 1933, is not as long as the other intervals, and that 1933 was an "off year" in that it probably represents the bottom of the depression. Furthermore, the total absolute number of industrial wage earners, in 1933, was only slightly more than two-thirds of the number so engaged in 1919. 1929

Table XIX presents another angle of the same situation. The proportion of the establishments in the lower annual value of product classes is constantly being reduced, while conversely those with gigantic active productive capacity are increasing. The trends in relative numbers of wage earners employed and value of products manufactured run in the same direction, with truly phenomenal concentrations. It is interesting to note that while the last columns, dealing with the years 1925 and 1929, tend to indicate a slackening of the momentum, if not actual slight reversal of trends as regards relative proportions of establishments and wage earners, the proportion of the total value of product furnished by the largest units continues to increase. Apparently the saturation point beyond which an increase in mere size seems unprofitable, for industry presumably does what it finds profitable, is reached more quickly in the factors of industrial unit and aggregate number of wage earners than in the total unit value of product factor.

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Table XIX[1]

PROPORTION OF INDUSTRIAL ESTABLISHMENTS, WAGE EARNERS AND VALUE OF PRODUCT, IN ESTABLISHMENTS WITH PRODUCTS VALUED AT $5,000 OR MORE ANNUALLY, CLASSIFIED ACCORDING TO VALUE OF PRODUCT - - 1904 - 1929

Value of Pro duct Class	1904			1909			1914			1919			1925			1929		
	% of Est.	% of W.E.	% of Vl. of Pro.	% of Est.	% of W.E.	% of Vl. of Pro.	% of Est.	% of W.E.	% of Vl. of Pro.	% of Est.	% of W.E.	% of Vl. of Pro	% of Est.	% of W.E.	% of Vl. of Pro.	% of Est.	% of W.E.	% of Vl. of Pro.
All Classes	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
$5,000 to $20,000	50.2	7.8	5.2	49.7	7.3	4.4	49.2	6.2	3.8	38.9	2.9	1.6	29.8	1.9	1.0	32.9	2.3	1.1
$20,000 to $100,000	33.1	19.2	14.7	32.7	16.7	12.4	31.9	14.3	10.6	34.7	8.8	5.8	36.8	7.9	5.2	35.7	7.8	5.1
$100,000 to $500,000	15.4	46.9	41.5	15.9	44.8	38.9	14.5	43.6	23.9	17.7	19.0	14.4	22.5	20.0	15.3	20.9	18.9	14.2
$500,000 to $1,000,000							2.4		12.6	4.1	12.4	10.5	5.2	13.5	11.0	4.9	12.7	10.4
$1,000,000 and over	1.3	26.1	38.6	1.7	31.2	44.3	2.1	35.9	49.1	4.6	56.9	67.8	5.7	56.7	67.5	5.6	58.3	69.2

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[1] Compilations from Reports of Census Bureau: 13th Census, 1910, Manufactures, Vol. 8, p. 180; 14th Census 1920, Manufactures, Vol. 8, p. 91; 15 th Census, 1930, Manufactures, Vol. 1, p. 63. Also Statistical Abstract of the United States, 1936, p. 734.

When this concentration is translated into the organization of specific industries, it becomes immediately clear how this piling up of manufacturing power destroys the economic balance that may once have existed between the individual employer and his workman. In the automobile industry, for example, the "Big Three" corporations, General Motors, Ford, and Chrysler, accounted for 93½% of the total number of automobiles sold in 1934.[1] The employees in these industries do not face individual employers, whom they can meet on equal terms, because of the obvious and almost incomprehendable economic difference between the workman and the impersonal policy delineator.

The regular Census Reports tell us little about the concentration of wage-earners by businesses, in various industries, however, so we can not present extensive and comparable data on the subject. However, for a special study, ~~of~~ the Twentieth Century Fund, ~~it~~ made special tabulations for the establishments in 84 of the industries which were relatively homogeneous in respect to their chief products. Therefore it is possible to present some data regarding the concentration of wage-earners in these industries. Factual comparisons on a time basis, however, are impossible. The significance of the data must be interpreted in terms of the high degree of impersonality between employer and employee, which they betoken.[2]

[1] Muste, A. J.: The Automobile Industry and Organized Labor, p.7.

[2] Twentieth Century Fund: Big Business: Its Growth and Place P. 34-52.

The motor vehicle bodies and parts industry is an example of the concentration in question. A total of 632 concerns were included, and the average number of employees in each of the six largest concerns was 16,314. Of the 626 remaining concerns, the average number of employees was only 76. The average for the giants is more than 200 times that for the rest of the industry. Similar ratios are indicated for other industries, but detailed data has not been made public. A bar-graph is presentted, which indicates the proportion of the wage earners concentrated in three, six, or eight concerns, but the total number of concerns considered to be part of the industry is not known. This shows, for instance, that in the manufacture of cash registers, the three largest concerns employ almost 70% of the total number of workers engaged by that industry. But since we are not told how many or how few concerns are responsible for the 30%+ remaining, we can not gauge the degree of concentration and express it as a ratio of averages.

The obvious and thoroughly warranted implication, namely, that this concentration disturbs and distorts the balance of power between employer and employee, is thoroughly justified. Modern man has made for himself fingers of steel, which, driven by inanimate energy to the mass production of many things, have drawn human labor into a mass-cauldron, and threatened to unseat the dignity of human individuality by submergence within the newly developed forms of economic organization. The extensive scale of industrial operation is a basic factor in this development.

5 National Advertising.

With the development of specialized machinery, driven by power transmitted from a distance, and supported by a corporate form of business organization that made the requisite concentration of resources legally permissable and practically possible, quantity production had definitely arrived, just prior to the turn of the centry. The problem of the American manufacturer was to create an active demand for the goods he was able to turn out, and the answer to his problem was the use of the written word, in national advertising media. Our late President, Calvin Coolidge, recognized the relationship between national industrialization and national advertising when he said that it was "under the stimulation of advertising" that "the country had gone from the old hand methods of production, which were so slow and laborious,----- to our present great factory system and its mass production-----".[1] Thus the process of finding mass-markets served also to further the national integration of industry.

To present detailed and comprehensive statistical data on the development of advertising is impossible, because the necessary records have not been kept. For instance, even the precise data on newspaper advertising has not been regularly compiled and classified, although the Bureau of Advertising of the American Newspaper Publishers Association is organizing the task

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[1] Address of President Coolidge before the Internation Advertising Association Convention, Washington, D. C., 1926.

even now.[1] However, Mr. Presbrey, whose scholarly and voluminous writing reflects a life-time of advertising experience, does present some data showing the development of the use of newsprint and magazines as carriers of advertising messages, in terms of cost. His original source material, in the absence of detailed records, includes estimates by early writers, inductions from Federal Tax Returns figures, and certain Census reports. The following, as Table XX,[2] is adapted from his conclusions.

Table XX
PUBLISHERS RECEIPTS FOR ADVERTISING CARRIED IN NEWSPAPERS AND MAGAZINES, 1847 - 1928

Year	Total Receipts
1847	3,300,000
1867	9,609,326
1880	39,136,306
1890	71,243,361
1900	95,861,127
1905	145,517,591
1909	202,527,925
1914	255,412,144
1919	528,299,378
1921	676,986,710
1923	793,893,469
1925	923,272,673
1928	1,100,000,000

The message of the written word is conveyed variously, by street car placard, outdoor billboards, and direct mail, as well as by newspapers and the various types of magazines. Heterogeneous hand bills, or dodgers, indiscriminately placed about the street cars, after the first "car-cards", advertising the

[1] Presbrey, F.: The History and Development of Advertising, p. 595.

[2] Ibid, p. 590 - 592.

dry goods of Lord and Taylor in New York, in 1847, gradually gave way to attractive displays, regularly placed in nationally controlled firms, until ~~at~~ the present time, when the Street Railways Advertising Company, organized in 1900, by Barron G. Collier, controls the field, through its offices in 77 cities, by means of which it can "put up a card in tens of thousands of cars operating in cities throughout the United States, on any given day.[1]" The message of the manufacturer is thus made to face 40 million American people every day for a solid month.

Outdoor advertising, primarily by poster and billboard, but supplemented extensively during the last decades, by electric signs, has also developed from meagre origins to the point where, in 1928, members of but one of the national organizations, the National Outdoor Advertising Association, controlled the germane facilities in 16,000 American communities, where an estimated 90,000,000 people see the displays it sponsors. And the displays carry the names of nationally known manufacturers, who are known primarily because the general public has learned of their products, by means of advertisements.[2]

Direct mail advertising, naturally, grew to considerable importance when low postage rates permitted it, but the real impetus came when Rural Free Delivery was established. In 1897 there were only 44 such rural routes, in 1900 there were 4,000, and by 1903 about 25,000 had been mapped out for contact with

[1] Presbrey, F.: The History and Development of Advertising, p. 512 - 518.

[2] Ibid, p. 504 - 10.

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Outdoor advertising, primarily by poster and billboard, but supplemented extensively during the last decades, by electric signs, has also developed from meagre origins to the point where, in 1928, members of but one of the national organizations, the National Outdoor Advertising Association, controlled the germane facilities in 16,000 American communities, where an estimated 90,000,000 people see the displays it sponsors. And the displays carry the names of nationally known manufacturers, who are known primarily because the general public has learned of their products, by means of advertisements.[2]

Direct mail advertising, naturally, grew to considerable importance when low postage rates permitted it, but the real impetus came when Rural Free Delivery was established. In 1897 there were only 44 such rural routes, in 1900 there were 4,000, and by 1908 about 25,000 had been mapped out for contact with the hinderland, each one an avenue by which the previously unreachable millions were made subject to the messages of national advertisers, whether the messages came as a circular, a part of a magazine or newspaper, or as a mail order catalog.

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[1] Presbrey, F.: The History and Development of Advertising, p. 512 - 518.

[2] Ibid, p. 504 - 10.

A study by the Crowell Publishing Company, summarized as Table XXI, indicates that magazine advertising increased more, proportionally, than any of seven other factors important in socio-economic development, with which it was compared, for the 15 year period from 1913 to 1937.[1]

Table XXI
PROPORTIONATE INCREASE OF MAGAZINE ADVERTISING, DURING 15-YEAR PERIOD, 1913 - 1927

Socio-Economic Factor	% Inc.	Socio-Economic Factor	% Inc.
Population	23%	Wired Homes	385%
National Income	170%	Life Insurance	386%
Bank Deposits	198%	Automobiles	478%
Telephones	282%	Magazine Advertising	489%

And the advertising had much to do with the increases in each of several of the other items.

General magazines were also rated as being the most important advertising media, among the members of the Association of National Advertisers, which gave the following as a report of its study, based on responses of 160 of its members.[2]

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1 Crowell Publishing Company: National Markets and National Advertising, 1930.

2 Presbrey, F.: The History and Development of Advertising, p. 592.

Table XXII
DISTRIBUTION OF NATIONAL ADVERTISING EFFORT AMONG THE DIFFERENT MEDIUMS, IN 1928

Medium	Those using	
	Number	Percent
General Magazines	125	78.1%
Business Magazines	131	81.8%
Direct Mail	114	71.0%
Window Display	88	55.0%
Newspapers	86	53.7%
Farm Papers	38	23.8%
Outdoor	41	25.6%
Radio	16	10.0%

In a check of the different national advertisers in 30 magazines, conducted by the Crowell Publishing Company, for the years 1913 to 1927, it was found that the number of such advertisers had increased 128%. During the first six years the total number had more than doubled, but it was reduced somewhat during the post war depression, in 1921 and 1922. By 1925 it had passed its earlier high-mark of 1920, continuing its trend till 1927, the last year covered by the survey. Details are presented as Table XXIII.[1]

Table XXIII
GROWTH IN THE NUMBER OF NATIONAL ADVERTISERS, IN THIRTY MAGAZINES 1913 to 1927

Year	No. of Nat. Advertisers	Year	No. of Nat. Advertisers
1913	714	1921	1,381
1914	778	1922	1,330
1915	802	1923	1,479
1916	937	1924	1,507
1917	1,022	1925	1,553
1918	1,146	1926	1,617
1919	1,442	1927	1,633
1920	1,552		

[1] Crowell Publishing Company: National Markets and National Advertising, 1930.

The growth in size and the increase in circulation of magazines generally, has been possible only by virtue of the revenue taken in through advertising the products of others, and by advertising one's own attractions as an advertising media, among those with products to sell. Popular priced magazines would be scarce indeed, if it were not for the revenue attributable to advertising, for "the production of the modern weekly costs four or five times the sales price".[1] In fact, the history of many magazines is written in terms of the advertisements they have carried. The Saturday Evening Post, under the administrative genius of Mr. Curtiss, told potential advertisers of its own ambitions in such an effective manner that the circulation was pushed to "exceed that of any other weekly in the United States". Table XXIV,[2] shows how phenomenal were the results, both in terms of circulation and revenue derived from advertising, as well as the relationship between these factors.

Table XXIV
DEVELOPMENT OF SATURDAY EVENING POST, 1897 - 1927

Year	Average Circulation	Advertising Revenue
1897	2,231	$ 6,933
1902	314,671	360,125
1907	726,681	1,266,931
1912	1,920,550	7,114,581
1917	1,883,070	16,076,562
1922	2,187,024	28,278,755
1927	2,816,391	53,144,987

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[1] Presbrey, F.: The History and Development of Advertising, p. 489

[2] Ibid, p. 483

Naturally, national advertising in newspapers, by means of which a typical message extolling a certain manufacturer's product, is presented to the people of all our communities, that are reached by newsprint, has undergone similar development. While only about $50,000,000 was spent for national advertising in the newspapers of 1913, the figure had more than quadrupled, going above $200,000,000 by 1920. For the next year or two the figures are a little, but only a little, lower, climbing slightly but steadily throughout the remainder of the decade.[1]

The commodity groups for the advertising of which the largest sums of money were spent since 1915, include in approximate order of rank, automobiles, prepared foods and beverages, clothing, drugs and toilet articles, and radios.[2] The marks of mass production, by extensive use of machinery, are obviously essential to the manufacture of most of these.

In addition to the media which utilize the written word, we need only refer to the radio, by which the industrially subsidized spoken word wins its way into the consciousness of unnumbered millions, in some instances many times per day. Repition of the message, by pen or tongue, has a cummulative effect, which, eventually, is often translated into action.

Advertising has placed the trade names of products before the people, and active demand for the goods, from Ivory Soap

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[1] Presbrey, F.: The History and Development of Advertising, p. 595.

[2] Research Committee on Recent Social Trends: Recent Social Trends, p. 874-875

and Royal Baking Powder to Ford cars and Listerine, has continued to warrant further advertising. Prepared in quantity, markets to absorb quantities must be found and perpetuated.

6. Widening of Market Areas.

National advertising served primarily to stimulate the active demand of prospective buyers, but it alone was insufficient to extend the market areas to their present proportions. Someone must handle the goods, transport it, store it, and sell it, too.

The husbandry system of production, in what was originally an expansive but sparcely populated land, bordered by a few small coastal cities and internally dotted by an occasional hamlet, had already given way to a handicraft status, shouldering the now specializing artisan with the necessity of moving his products and selling them among the people. The process of industrialization could proceed only so far as the adaptations of the marketing process would allow, for, fundamentally, unless quantities of goods could be handled and disposed of, at a profit, they could not be produced. As facilities for transportation and communication were improved, and as enterprising individuals began to relieve the artisan of some of his marketing functions, trading itself was revolutionized, the proportion and variety of all manufactured goods entering into exchange increasing continuously. Presentation of certain data illustrative of this will help visualize the effect, in terms of economic integration. The expanding of market areas, therefore, becomes a factor, contributing to the increasing necessity of a

closer and more effective integration of labor.

The linear increase in railway mileage operated in given years, from 1842 to 1900, was presented as Table II. By 1900, 192,556 miles of trackage were in use. This figure grew further, during the next 35 years, as is shown by the following.[1]

Table XXV

UNITED STATES RAILWAY MILEAGE, 1900 - 1935

Year	Mileage	Year	Mileage	Year	Mileage
1900	192,556	1915	257,569	1930	260,440
1905	216,974	1920	259,941	1935	252,930
1910	240,831	1925	258,631		

It is plain that much railroad development took place before 1900. The continent had been spanned at different places. The steel in place, the railroads were ready to use them. Furthermore, the expansion between 1900 and 1920 is not inconsequential. We may note, however, that there was little actual expansion at any time since 1920, and the slight margin recorded for 1930 is more than absorbed by the depression.

But the railroads did increase their business, during the period in question, at least up to the eve of the depression. Without going into extensive elaboration, by reproducing detailed data, we may scan the trends by referring to Table XXVI; which really lists a double index of the use that was made of railroads. All data refers to revenue service, as provided by all roads.[2]

[1] Reports of Interstate Commerce Commission.

[2] Statistical Abstract of the United States, 1935, compilations from pages 370-372.

Table XXVI
FREIGHT AND PASSENGER SERVICE - 1891 - 1931

Year or Period Average	Freight Tons Carried 1 Mile	Passenger Traffic	
		Carried 1 Mi.	(in Mi.) Ave. Journey per. pas
1891-1895	85,293,000,000	13,383,000,000	24.48
1896-1900	113,962,000,000	13,863,000,000	26.64
1901-1905	167,715,000,000	20,737,000,000	30.40
1906	215,878,000,000	25,167,000,000	31.54
1911	253,784,000,000	33,202,000,000	33,48
1916	366,173,000,000	35,220,000,000	33.58
1921	309,533,000,000	37,706,000,000	35,53
1926	447,444,000,000	35,673,000,000	40.79
1931	311,073,000,000	21,933,000,000	36.60

The figures drop off sharply at the beginning of the depression, as one would expect. But we may stop to note that the trains served not only for a greater number of passenger miles, but the average journey per passenger also increased. This might be due to general extensions of lines for commuters in urban areas, or to more extensive long distance travel. In either case, the railroads represent an important binding link.

Merchandise exports show a somewhat different trend. They were especially stimulated by the war, and especially retarded, apparently, by conditions following close after the war. The following, as Table XXVII[1] lists the monetary value of United States Exports of merchandise, exclusive of gold and silver, for the years indicated.

The war years are presented in detail, to show the effect of industrial expansion on our export trade. Much of this was lost immediately, and has not been regained. However, the value of our basic trade, that part not apt to be affected by the

[1] Statistical Abstract of the United States, 1935, compilations from pages 370-372.

special economics of war, has increased regularly, if we may judge by comparing data for 1930 with that for years prior to the war.

Table XXVII
UNITED STATES EXPORTS OF MERCHANDISE - 1890 - 1930

Year	Value of the Exports	Year	Value of the Exports
1890	$ 845,294,000	1919	$7,749,816,000
1895	793,393,000	1920	8,080,481,000
1900	1,370,764,000	1921	4,378,928,000
1905	1,491,745,000	1925	4,818,722,000
1910	1,710,084,000	1930	3,781,172,000
1915	2,716,178,000		
1916	5,422,642,000		
1917	6,169,617,000		
1918	6,047,875,000		

One of the most phenomenal developments in transportation is the increased use of the motor car and truck. It has, undoubtedly, been a significant element in our national integration, social as well as economic. For it offers an adaptability and independence that fit it very adequately for the use of the American people. Something of its importance, in the United States, is indicated by data relating to annual production and registration, as reproduced in Table XXVIII.[1] Because of the rapidity of change, annual figures are recorded after 1904.

How much goods are transported by these machines is, of course, unknown, but that not only the three million motor trucks but many of the passenger cars as well are used for transportation of physical bodies is a matter of common observation.

[1] Statistical Abstract of the United States, 1935, compilations from page 353.

This is so patent that the manufacturers feature the transportation facilities of regular passenger cars. The coming of the motor car, sliding off the conveyor belt by the litteral millions, has brought our people much more closely together. It has changed old habits of isolation, along with old ideas of local maintainance of roadways so completely that physical isolation is becoming obsolete, and localized attempts to maintain and control roads are anachronisms. They are good examples of cultural lag.

Table XXVIII

"PRODUCTION AND REGISTRATION OF MOTOR VEHICLES"

	Production (in thousands)			Registration (in thousands)		
Year	Total	Passenger Cars	Motor Trucks	Total	Passenger Cars	Motor Trucks
1900	4	4		8		
1904	23	22		55	55	
1905	25	25		78	77	1
1906	34	33	1	107	106	1
1907	44	43	1	142	140	2
1908	65	63	2	198	194	3
1909	131	128	3	312	306	6
1910	187	181	6	468	458	10
1911	210	199	11	640	620	20
1912	378	356	22	944	903	41
1913	485	462	23	1,258	1,194	64
1914	569	544	25	1,711	1,626	86
1915	970	896	74	2,446	2,310	136
1916	1,618	1,526	92	3,513	3,298	215
1917	1,874	1,746	128	4,983	4,657	326
1918	1,171	943	227	6,147	5,622	525
1919	1,934	1,658	276	7,565	6,771	794
1920	2,227	1,906	322	9,232	8,226	1,006
1921	1,682	1,518	164	10,463	9,483	980
1922	2,646	2,369	277	12,238	10,960	1,279
1923	4,180	3,754	427	15,091	13,538	1,553
1924	3,738	3,304	434	17,594	15,461	2,133
1925	4,428	3,871	557	19,937	17,496	2,441
1926	4,506	3,949	557	22,001	19,237	2,764
1927	3,580	3,083	497	23,133	20,219	2,914
1928	4,601	4,012	589	24,493	21,379	3,114
1929	5,622	4,795	827	26,501	23,122	3,380
1930	3,510	2,910	600	26,545	23,059	3,486
1931	2,472	2,038	434	25,833	22,366	3,467
1932	1,431	1,186	245	24,115	20,886	3,229
1933	1,986	1,627	359	23,844	20,616	3,227
1934	2,870	2,771	599	24,933	21,524	3,409

Automobiles actually figure into our communication system too. The sending of messages is an integral and essential part of carrying on the business of the modern age. This too has been influenced by the needs of a developing industrial society and the factors of mass production themselves, as applied to the manufacture of communication equipment. In 1895 there were some 339,000 telephones, and about twice as many miles of wire, in use in the United States. A steady increase brought the number of operating telephones well over twenty million, in 1930, and more than eighty million miles of wire served the patrons.[1] The depression cut into this industry as well as others, but figures for 1934 indicate a slight upturn from the "depression low". There is no indication as to the nature of the messages, of course, but whether a call is in reference to personal or business matters, any call serves to reduce distance between people, thereby contributing toward general integration.

As a communication factor, the U. S. Postal Service is another basic element. Estimates of the total numbers of pieces of mail handled show a regular and steady increase between 1904 and 1929, where estimates are available. Figures for the years in the 1920's are about six times as high as those for 1904.[2] This increased use of the postal service reflects further the need for dependable low cost communication (and

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[1] Statistical Abstract of the United States, 1935, compilations from p. 335.

[2] Ibid, p. 328.

transportation) services. Especially since the establishment of rural free delivery routes, in 1897, and the subsequent expansion of the service, has direct mail buying flourished. The mileage on Rural Routes was 29,000 in 1900, and 1,354,759 in 1931, which is indicative of the growth.[1] Mail buying itself is largely a phenomenon that has taken root since the turn of the century. Sears Roebuck catalogs were distributed in large numbers since 1900, but they could spread themselves abroad effectively because of the rural routes. The average numbers distributed in certain years follows.[2]

Table XXIX
DISTRIBUTION OF SEARS ROEBUCK CATALOGS

Year	Number of Catalogs	Year	Number of Catalogs
1900	425,000	1920	5,133,150
1910	2,304,000	1925	6,650,000
1915	4,292,000	1929	7,151,000

Sears Roebuck is only one of the Giant Mail Order Houses that spread itself before rural America. Their catalogs became known as indexes of goods available and as guides to quality or grade, and price, for practically any type of merchandise.

Chain stores, too, had their impetus since the time when goods were standardized in manufacture and since the time when it became feasable and economical to ship them everywhere. They began as poor-man's stores, an estimate as late as 1914 placing the number of parent companies operating chains at about

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[1] Research Committee on Recent Social Trends: Recent Social Trends, p. 192.

[2] Ibid, p. 870.

2,000, with 23,800 store units.[1] The 1930 Census of Distribution estimated that there were 7,046 parent organizations, with 159,826 store units. And these stores have scooped up a good bit of the retail business, too, by this time, amounting to "1/5 of the retail sales in 1929, and ¼ in 1933". They "gained in 10 businesses, fell back in 4, and broke even in one", during this 4 year period.[2] Another source lists the percentage of total retail sales accredited to various classes of chain stores. This indicates that jewelry chains, with only 5.9% the total jewelry business in 1933 ranked lowest, while variety store chains accounted for over 90% of the total in that business. Other important figures include 46% for shoe chains, 45% for grocery chains, 43% for meat markets, and 35% for filling stations, and 33% for cigar stores.[3] As a method of merchandising, chain stores came into being because modern society was geared to make them practically possible, for generally speaking, they handle extensive quantities of standardized goods, at uniform prices, in each of many marketing areas, and they certainly have succeeded in taking the cat out of the cracker barrel in the general store.

It is only since 1929 that the Census Bureau has compiled,

[1] Zimmerman, M. M.: The Rise of Chain Store Methods of Merchandising, 1930, p. 17-20.

[2] Twentieth Century Fund: Big Business: Its Growth and Its Place, p. 48.

[3] Census of American Business: Retail Distribution, Vol. I, 1933, p. 26,27.

sorted, and presented figures on the total wholesale and total retail sales, the country over. Since 1929, the curve has been downward. From the partial figures available for the decades preceding 1929, it is impossible to secure comparable data additively, because it is probably impossible to eliminate duplications, etc., outside of the Census Offices themselves. But in view of the increased productivity and the increased need, there is no doubt that such figures would match the steady rise of industry and population. It would have to parallel the rise of the "metropolitan district" and the increased use of the facilities for transportation and communication, as is minutely indicated in the study of Van Cleef[1] as he traces the influences of all these factors on trade and trade areas.

It is evident from all of the foregoing discussion that industry itself has undergone a most unprecedented integration, from the organization of business, through the manufacturing of products and the transportation of products and messages, to the development of highly commercialized trading areas. The outstanding feature of all this has been the change it has wrought in the life of the individual common man, circumscribing his independence by detailed specialization, subservient to a soulless economic power.

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[1] Van Cleef, E.: Trade Centers and Trade Routes

B. Nature of the Labor supply.

We come now to a consideration of the trend of change that has occurred in the second basic economic factor resulting in the clash of Labor Union policy, for while industry moved into its present highly stream-lined position, the nature of our population, out of which industry draws its supply of labor, has undergone corresponding change. Numbers have increased, proportions have shifted, and the resulting status of labor is different from what is may once have been. Because of these changes, plus industrial unwieldiness and impersonalness, the worker finds less security of tenure in his economic position, and increasing need for some tool to help him overcome or counteract the weakness of that position.

1. Increase in Population.

In the 154 years of our national history, the story of the numerical growth of the people has been fascinating and dramatic. From an estimated 2,500,000 in 1776, it had multiplied almost fifty-fold, or up to 122,775,046, by 1930. During this same time our country has extended its physical borders, so we must hold the two factors in their relative juxtaposition, in our consideration. This is done for us in Table XXX, which presents the population per square mile, plus related data, for the Census years.[1]

Excluding the figures for 1936, which are obviously not comparable because of the shorter time period thereby reflected, there were only two decades during which the absolute in-

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[1] Compilations from Census Reports.

crease in numbers was not greater than for any preceding decade. Since these two exceptions occurred during the decades of the Civil War and the World War, they may be considered to be explainable by the peculiar circumstances, and the population may be said to have increased very positively and very consistently. The percentage rate of increase has, however, come down considerably. The figure indicating density of population shows recessions only twice - only for those decades during which land areas was increased extensively. Not only have we moved over the wilderness of the American Continent: we have continued to increase the number of persons residing on the "average" square mile of land. The density has increased about 10-fold since 1810, and even since 1890 it has doubled, with no increase in gross land area.

TABLE XXX
POPULATION PER SQUARE MILE IN THE UNITED STATES - 1790 - 1936

Census Year	Gross Area Sq. Mi.	Total Pop.	Pop. per Sq. Mi. (Land Area)	Increase over pre. Census year. Number	Percent
1790	892,135	3,929,214	4.5	-	-
1800	892,135	5,308,483	6.1	1,379,269	35.1
1810	1,720,122	7,239,881	4.3	1,931,398	36.4
1820	1,792,223	9,638,453	5.5	2,398,572	33.1
1830	1,792,223	12,866,020	7.3	3,227,567	33.5
1840	1,792,223	17,069,453	9.7	4,203,433	32.7
1850	2,997,119	23,191,876	7.9	6,122,423	35.9
1860	3,026,789	31,443,321	10.6	8,251,445	35.6
1870	3,026,789	38,558,371	13.0	7,115,050	22.6
1880	3,026,789	50,155,783	16.9	11,597,412	30.1
1890	3,026,789	62,947,714	21.2	12,791,931	25.5
1900	3,026,789	75,994,575	25.6	13,046,861	20.7
1910	3,026,789	91,972,266	30.9	15,977,691	21.0
1920	2,026,789	105,710,620	35.5	13,738,354	14.9
1930	3,026,789	122,775,046	41.3	17,064,426	16.1
1936*	3,026,789	128,429,000	43.2	5,654,046	4.6

* Figures for 1936 are estimates of the Bureau of the Census.

2. Character Changes in the Population.

Change has also gone on in the general characteristics of the population. Keeping in mind the intensification of industrial development, the changes within the population itself tend to emphasize the increasing burden of economic problems, in the lives of the common men.

Since the turn of the century, while the process of industrialization has been most intense, the age trends of the population have given relatively more weight to people in the older age classes. This is made clear by Table XXXI.[1]

Table XXXI
DISTRIBUTION OF UNITED STATES POPULATION, IN PERCENTS, 1900-1930

Age Group	1900	1910	1920	1930
Under 1 year	2.5	2.4	2.1	1.8
Under 5 years	12.1	11.6	10.9	9.3
5 to 9	11.7	10.6	10.8	10.3
10 to 14	10.6	9.9	10.1	9.8
15 to 19	9.9	9.9	8.9	9.4
20 to 24	9.7	9.8	8.8	8.9
25 to 29	8.6	8.9	8.6	8.0
30 to 34	7.3	7.6	7.6	7.4
35 to 39	6.5	7.0	7.4	7.5
40 to 44	5.6	5.7	6.0	6.5
45 to 49	4.5	4.9	5.5	5.7
50 to 54	3.9	4.2	4.5	4.9
55 to 59	2.9	3.0	3.4	3.8
60 to 64	2.4	2.5	2.8	3.1
65 to 69	1.7	1.8	2.1	2.3
70 to 74	1.2	1.2	1.3	1.6
75 to 79	.7	.7	.8	.9
80 to 84	.3	.3	.4	.4
85 and over	.2	.2	.2	.2
Unknown	.3	.2	.1	.1

Crosswise comparisons on this table are significant. Generally speaking, and with very few exceptions, the proportions of the total population falling into the age groups below 30

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[1] Compilations from Census Reports.

years have decreased regularly and steadily, since 1900, while the proportions of those above 30 have increased. In 1900, 62.6% of the population was below 30, and in 1930 the comparable proportion had dropped to 55.7%. Not only are there more people, but a greater proportion of them are in age groups upon which the burden of economic responsibility falls.

The matter of age distribution suggests the much publicized declining birth rate. From Table XXXII it is evident that the trend has been a factor ever since the recording in "registration areas". "Registration areas" were, at first, sample sections of the United States, beginning in 1915 with about 30% of the total population, the proportion being gradually increased until 1933, since which time it has included the entire population.[1]

Table XXXII
BIRTH- AND DEATH-RATES IN THE UNITED STATES, 1915 - 1935

Year	Rates per 1000 of the Population		
	Births	Deaths	Excess of Births
1915	25.1	14.1	11.0
1920	23.7	13.1	10.6
1925	21.5	11.8	9.7
1930	18.9	11.3	7.6
1935	16.9	10.9	6.0

When this data is studied, along with the last column in Table XXX, which shows the decreasing percentage of population increase, for the past census years, it is clear that our population is increasing naturally, but at a decreasing rate.

Another measure of this same general factor is the rapidly falling number of children, under five years of age, per 1000

[1] Statistical Abstract of the United States, 1936.

women between 16 and 44 years old. At every census year, save one, since 1810, this number has been below that for the preceding census year, the number standing at 976 in 1810, and having sunk to 407 by 1930. Estimates indicate that we may, even now, be in the decade which will record the greatest percentile decrease.[1] As is to be expected, the size of the average family has decreased during the period for which we have data. The decade-by-decade decline has been uninterrupted, and fairly uniform, since 1860, when the average family contained 5.3 persons, until 1930, when it had been reduced to 4.1 persons.[2]

Industrial competition, for jobs among the labor and for vanishing or diminshing markets among manufacturing producers, is heightened by such changes in the population. Employment policies must be made over, and educational programs must be revised to meet changing needs - the needs of people who become part of an impersonal system, where continued training is necessary, for frequent occupational emergencies, beyond the commonly accepted age considered to be the school's responsibility. Also, there are, and will be fewer children of the common-school ages. And with the increased threat of economic insecurity, labor may be expected to attempt a collectivism fundamental to effective group action.

3. Cessation of Immigration.

The people who altered the physical face of the American

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[1] National Forum: Special Social Problems Visualized.

[2] Compilations from Census Reports.

continent, changing it from a primitive state to an industrial community, were by no means all the product of a natural increase in the population. Not that all the immigrants were set to the felling of trees and the building of railroad embankments, for as we have already indicated, the growing manufacturing interests demanded cheap foreign labor, but this created a surplus of labor which forced the overflow out to the west. Apparently the system that was motivated to activity because of the possibility of private profit, had to have an untamed wilderness, to draw off its despoiled labor surplusses, in order to survive.[1]

The facts of immigration are well known. During the 1820's it was seldom more than 15,000 annually. It grew during the '30's, but the depression of 1837 curtailed it for a year or two. It first reached 100,000 in 1842, and a few years later the European surplus of population (in relation to food) and the American dearth of population (in relation to the available open land which drew surplusses from all over) stimulated immigration till it reached 427,833 in 1854. Successive waves of immigration came at the time of expansion following the Civil War, the prosperity of 1879 to 1882.[2]

During the hard times of the late '80's it slumped off, but revived with the swelling tide of industrialization, and reaching stupendous annual totals during some of the years early in

[1] Smith, R. J.: Emigration and Immigration.

[2] Ibid, p. 40-44.

this century. With periodic fluctuations, this continued till the time when the World War broke out, when it dropped to less than a fourth of what it had been just previously. Some increase occurred in the early 1920's, the figure rising to over 800,000 in 1921, but following further legal restriction in 1924 it waned rapidly, till in 1933 it was a mere 23,000, and the number returning to their respective fatherlands now exceeds those coming to the United States. So to all practical intents, we may say that immigration to America had practically ceased.[1]

4. Education of Workers.

The continual influx of immigration, plus the rough exterior of life incident to frontier conditions, made it impossible to weld the people into one homogeneous group. Labor unionism, faced all along with the exceeding diversities among groups, and realizing the impossibility of building a solid front under existing conditions, early turned its attention to "free, universal, and obligatory education". From its inception, the American Federation of Labor had been a protagonist of the development and extension of the educational system. It was "the rapid development of a machine civilization, the increase in national wealth, the concentration of population in urban centers, the appearance of new occupations, "and the increase in trade and commerce, that made" an educational system limited to rudimentary instruction in the three

[1] Statistical Abstract of the United States, 1936, p. 95.

R's" entirely inadequate.[1] Changes in the educational systems have been related directly to those in the industrial system, for while the proportions of children gainfully occupied have decreased, the proportions of those in schools has increased. In 1900, 18.2% of the children between 10 and 15 years old, were gainfully occupied; in 1930 only 4.7% were so occupied. During the same period the average length of the public school year increased from 144 to 173 days, and the average total days of attendance of the pupils rose from 99 to 143.[2] Precise data for actual enrollment is not available for this period, but we do know that the enrollment in colleges and universities increased 314% in the 30 years, while population increased only 62%.[3] We may reflect upon the increase in elementary enrollment, if we consider the increase in higher education. In 1930, one out of every seven persons of college age was in college. In proportion to the total population, in 1900, 313 per 100,000 population were in institutions of higher learning, while in 1930, 897 were in college, out of every 100,000 of the population. At the same time, one out of every two persons of secondary school age was in such an institution. This combination is unprecedented in the annals of civilization.[4]

[1] Research Committee on Recent Social Trends: Recent Social Trends, p. 325.

[2] Ibid, p. 332, f.f.

[3] Ibid, p. 329.

[4] Compilations from Recent Social Trends, p.p. 327-340 and Census Sources.

To build up a literate populace is certainly one aim of education, and it is one of the areas that does permit of some degree of mensuration. Furthermore, literacy itself is an essential factor in the solidifying of a group of people. Progress in the elimination of illiteracy has been marked and regular, as shown by Table XXXIII[1].

Table XXXIII
PERCENT ILLITERACY IN THE UNITED STATES, 1870 - 1930 *

Year	All Classes	Native Whites	Foreign Born Whites	Negroes	Other Race
1870	20.0	11.5	(Inc. with Native Wh.)	81.4	20.1
1880	17.0	8.7	12.0	70.0	(Inc. with negroes)
1890	13.3	6.2	13.1	57.1	45.2
1900	10.7	4.6	12.9	44.5	44.5
1910	7.7	3.0	12.7	30.4	31.6
1920	6.0	2.0	13.1	22.0	25.6
1930	4.3	1.5	9.9	16.3	25.0

* Percentage of those 10 years old or over who can not write in any language.

Testimony to the effectiveness of mass education, for the reduction of illiteracy, is hereby amply provided. The consistent and steadily downward sweep of general illiteracy from 20% in 1870 to 4.3%, or but slightly more than one fifth as much, is surely the most profound point in question. It is noteworthy that the proportion of illiteracy among foreign-born whites was not reduced till the influx was curbed, in the last decade. The spread between the figures for 1920 and 1930, however, would seem to intimate that greater literacy, among this class of people too, is just around the educational corner.

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[1] Bureau of the Census, United States Department of Commerce: Population

Labor unions, as early as 1827, saw the necessity of free and equal public education, if this foreign increment to the population was to be Americanized and unified. It was one of the planks of the platform of the "demands" of city central unions first, and remained a fundamental tenet of labor.[1]

Ranks of the unskilled still bulge with the untutored, however. Although our system of formal education has shown adaptability in altering courses and in introducing new courses,[2] there has been evidence of need for training in skills and techniques of specific occupations, for while "cultural" education is useful and necessary, the other is equally necessary for vocational success. In our age of specialized mechanization, the individual must be guided in the selection of an occupation, he must be helped in preparing for it, and in making progress in it, once the career is launched. To do this job effectively it becomes necessary that qualified persons analyze industrial and mechanical trends in order to forecast occupational opportunities, after which contacts with employers must be built up, and the traits and abilities of conferees must be studied, so that the right man may be directed to the proper job. This man must be trained for the job he is technically best qualified to handle. This field has not been explored, much less covered. Some schools, some industrial firms, some

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[1] Beard, M. A.: A Short History of the American Labor Movement, p. 37.

[2] Research Committee on Recent Social Trends: Recent Social Trends, Chapter VII.

trade schools, some employment agencies, and some social agencies are attempting it, but the surface has not been scratched.[1]

But the workers themselves sensed another need, which could be met by an educational program, and which would tend to unify workers more, making their economic associations, the labor unions, more effective. They applied the term "workers education", which was to be "of a kind that will strengthen and broaden character, develop discrimination, and create in the workers the ability to form judgments when they are confronted with serious problems."[2] Potential curriculum was broad, but all content was to be interpreted from the workers viewpoint. They were to set about purposively to learn how their own organizations could best function. They were out to teach themselves to understand and stand by their unions.

Since unions differed in philosophy and approach, "schools" with different viewpoints grew up, and finally the Workers Education Bureau was created, in 1921, as " a clearing house of workers information".[3] Then begins the study of Parliamentary Procedure, the aims, accomplishments, failures, approaches and problems of unionism in general and of local unions in particular, of Workmen's Compensation, of Child Labor, of Inter-

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[1] Edgerton, A. H.: Guidance in Transition from School to Community Life, p.p. 229-248.

[2] Cohn, F. M.: The Brussels Conference on Workers Education, p. 38.

[3] Mitchell, B.: How to Start Workers Study Classes, p. 6.

national Organization, etc. Social problems such as Housing and Delinquency are subjects for discussion, too. But through all this, the peculiar viewpoint of organized labor is disseminated.

The Workers Education Bureau, which was active in promoting this general project, had grown until by 1929 it reported the affiliation of 47 national unions, 22 state federations, 132 city centrals, 428 locals, and 25 separate additional study classes.[1] The control of the Bureau was nominally free and independent of the control of its affiliated unions, which really merely used and supported it. Certain leftist groups were prominent in its early activity. However, about 1931, the American Federation of Labor reported in its convention that it had been agreed that the Federation's Permanent Committee on Education be "co-ordinated into a unified whole" in an "organic and functional relationship" with the Bureau itself,[2] so it is certainly a tool of the Federation in the present struggle. The principles of Workers Education, however, extend far beyond the Federation.

Labor unionism has extended its program of workers education, to include an even more formal feature. Labor Institutes, Labor Colleges, and Workers Schools serve as recruiting grounds for leaders in local union fields. Short Courses and Summer

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[1] American Labor Yearbook, Rand School of Social Science, 1930, p. 181.

[2] American Federation of Labor: Proceedings, 1931, p. 345-346.

Sessions, as well as separate day and evening divisions, have found their way into these institutions. The curriculum is aimed at giving the workers viewpoint on economic history. Announcement of courses at one Workers School, will differ in character from that of another school. One will stress labor relations under capitalistic economy, while another will give more space to Russian labor-class history. But all speak the language of the industrial employee.[1]

The exact weight of workers education in the solidification of working groups cannot be ascertained. We may refer to its growth, but we cannot measure its effectiveness. That a program such as has been developed has had a growing effectiveness need not be questioned, for if it had not been effective it would have been abandoned by labor. Its cummulative character is obvious. In estimating the importance of "the education of workers" as an "influence in the trend toward industrial unionism", says Edward C. Lindeman[2] "one must speak without (statistical) facts. I feel sure," he continues, "that this education was not secured in schools but rather in informal education, at work and in adult classes."

5. Economic shifts in Population.

We have noted the increase in numbers of the population, during the century-and-a-half of American history. But the heart of socio-economic change, which is the key to the genesis of economic groupings such as labor unions, is found in analysis

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[1] American Labor Yearbook, Rand School of Social Science, 1932 p.p. 163-187.

[2] Letter to writer, under date of December 15, 1937.

of shifting racial and occupational patterns. As the decades have unfolded, old habits have declined and new institutions have arisen, because circumstances relative to nativity and type of occupation have dictated changes in the ways men were to walk.

The proportion of foreign-born within the population has fluctuated, of course, but although the absolute numbers have increased from each Census year to the next, the proportion reached peak points in 1890 and 1910, and is now, in all probability, quite definitely on the wane. In fact, if present immigration restrictions continue, it is apt to be reduced quite appreciably in the next two decades, as the older immigrants pass away. By that process, of course, immigrants will cease to comprise an appreciable proportion of the population, within relatively few years. For the given Census years, from 1850 to 1930, the foreign-born comprised a proportionate element in the total population as is indicated in the following: 1850, 9.7%; 1860, 13.2%; 1870, 14.4%; 1880, 13.3%; 1890, 14.7%; 1900, 13.6%; 1910, 14.7%; 1920, 13.2%; 1930, 11.6%.[1]

The character of the immigrant population changed following 1883, which was the demarkation line before which the preponderent bulk of immigration came from Northwestern Europe, and after which the larger numbers of immigrants came from southern and eastern Europe. The former shared the basic customs, of civil life and government, with the people already

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[1] Bureau of the Census, United States Department of Commerce: Population, Vol. II, p. 33.

here, while the latter were not even amenable to our customs. While the proportion of professional and skilled persons among the "old immigration" were twice as great as among those of the new, the latter were not easily taken over into labor unions, although they needed it sorely because they were industrial prey.[1] It is because of such factors that education and especially workers education, has played such an important part in solidifying labor. Apparently, as soon as the heavy influx ceased, as soon as the literacy of those already here could be achieved, in so far as it has been achieved, and as soon as the rudiments of unionism could be presented to the laboring class as a whole, as has been done in increasing degree since early in the century, the way for the extension of unionism had been prepared.

Our reference to age trends indicated that the proportion of our total population that is of occupational age is steadily advancing. The Census Reports set this age base at 10 years. The proportion of the total population that is gainfully occupied has increased ever since 1870, as indicated by the following: 1870, 32.4% gainfully occupied; 1880, 34.7% gainfully occupied; 1890, 37.2% gainfully occupied; 1900, 38.3% gainfully occupied; 1910, 41.5% gainfully occupied; 1920, 39.4% gainfully occupied, and in 1930, 39.8% were gainfully occupied.[2] The year 1920 does appear to have a scewed figure,

[1] Towne, E. T.: Social Problems, p. 38 f.f.

[2] Bureau of the Census, United States Department of Commerce: 15th Census Report, 1930, Population, Vol. V. p. 37.

indicating a falling off from the 1910 level, but it is above the 1900 mark and below that for 1930, so it may be that the peak point, reached in 1910, simply could not be maintained. Reduction of child labor would of course be a factor here. The basic fact is that proportionately more of our growing population is in "gainful occupation". During the same period the proportions of persons attending school has arisen from 16.6% in 1870 to 22.7% in 1930. The proportion of the population listed as "housewives not gainfully employed" has never varied from 21 and a fraction per cent, in the 60 years. There are relatively fewer children under 5 years, and fewer between 5 and 15 who are not in school, however.[1] Whereas these two classifications accounted for 25% of the population in 1870, they comprised only 12.2% in 1930.

There has been some increase in the proportion of males 10 years old and over who were gainfully occupied at the times of Census enumeration, but the proportional change for women here has been far greater. While 74.8% of the males over 10 were gainfully occupied in 1870, the figure stood at 76.2% in 1930. It had been above this, in certain other years, but the fluctuation was not as marked as that relative to women, for while only 13.1% were gainfully occupied in 1870, the comparable figure had advanced to 22% by 1930.[2]

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[1] Research Committee on Recent Social Trends: Recent Social Trends, p. 274.

[2] Bureau of the Census, United States Department of Commerce: 15th Census Report, Population, Vol. IV, p. 17.

The changes in the distribution of the working population, from 1870 to the present, is a dramatic story of occupational reallignment, indicative of the physical conquest of the continent and the specialized industrialization of its economic life. Table XXXIV records the proportional changes in numbers of those gainfully occupied, distributed by major occupational groups, and carries the burden of this dramatic 60-year evolution.[1]

Table XXXIV

PERCENTAGE DISTRIBUTION OF GAINFULLY OCCUPIED PERSONS 16 YEARS OF AGE AND OVER, 1870 - 1930

Occup'l Group	1870	1880	1890	1900	1910	1920	1930
Agri. & Allied	52.8	48.1	41.2	35.9	30.3	25.8	21.3
Mining	1.5	1.6	1.8	2.1	2.6	2.7	2.0
Manuf. & Mech.	22.0	24.8	26.3	27.5	28.6	30.5	28.6
Trade & Trans.	9.1	10.7	13.6	16.3	17.4	18.0	20.7
Clerical Ser.	1.7	2.0	2.5	2.8	4.6	7.2	8.2
Domes. & Per.	9.6	8.8	9.7	10.0	10.6	8.8	11.3
Other Pub. Ser.	.6	.7	.9	1.0	1.1	1.6	1.4
Prof. Ser.	2.7	3.3	4.0	4.4	4.8	5.4	6.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The basic industry, which supplies the nation's foodstuffs as well as important quantities of raw materials, has required consistently smaller proportions of the working population, featuring increased productivity with decreased man power, all the way along the line. While over half the working population were thus employed in 1870, slightly more than a fifth found work for their hands in this field in 1930.

The proportional shift to mining has been slight, but manufacturing and mechanical industries drew many from the farms.

[1] Research Committee on Recent Social Trends: Recent Social Trends, p. 284.

The freedom of rural life was sacrificed for the glare of urban lights, and the attraction of industrial hours and wages. The peak point of 30.5% so employed in 1920 may be more misleading than the slightly lower 1930 figure, for the 1920 census enumeration came when industry was still under stimulus of wartime production scales, whereas the 1930 figures can be but meagrely colored by the depression for the similar reason that the depression was hardly under way. If this reasoning is in time proved to be correct, the level for 1930 compares exactly with that for 1910, and it would seem as though manufacturing itself would not be apt to increase its proportionate demand upon the labor supply as long as current economic organization prevails.

But specialization of production, from the diversity of the isolated and self-sustaining farmstead, to the specialized farm and the specialized industry, has increased the need for facilities for trade, transportation, communication, and the clerical services of those who must keep records straight, in a complex industrial set-up. Consequently these occupations have taken on swiftly increasing proportions of the gainfully occupied. And the growing complexity also accounts for the increased need of professional persons, specialists in learned areas, because competency requires it and the day when everyone can be a "generalist" is over.

The shifts among the population from one occupation to another also caused the urban concentration which is now a

definitely established fact. Table XXXV[1] indicates the extent and intensity of urbanization.

Table XXXV
URBAN POPULATION IN THE UNITED STATES

Year	Per Cent of Population in Cities of -		
	2,500 or more	8,000 or more	100,000 or more
1880	28.6	22.7	12.2
1890	35.4	29.0	15.6
1900	40.0	32.9	18.8
1910	45.8	38.7	22.1
1920	51.4	43.8	26.0
1930	56.2	49.1	29.6

In 1880 almost three-fourths of the people still lived in the country. By 1920, forty years later, the proportion was less than half, and by 1930 only 43.8% remained in rural America. Not only that, but the smaller cities, those with between 2,500 and 8,000 population, had relatively small proportions of the population, the figure fluctuating between 6% and 8% of the total (Column 1 minus Columh 2). The concentration has been in the larger cities, those with 100,000 or more people. While less than an eighth of the people were living in these centers in 1880, almost 30% were so concentrated in 1930. With practically half the people in cities of 8,000 or more, and with three-fifths of that group in cities of over 100,000, concentration has gone far. Major social and economic conflict becomes more severe and more difficult to control in such centers of concentration.

The labor union situation has always been influenced by the relationship between "skilled" and "unskilled" labor. We

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[1] Bureau of the Census, United States Department of Commerce: 15th Census Report, Population, Vol. V.

have noted the preponderence of unskilled workers in the old Knights of Labor organization, and the methods by which the skilled craftsmen withdrew from or at least refused to support such a movement. Forty years ago, writers in the field were discussing the factors of skill or the lack of skill on the part of immigrants. R. M. Smith, professor political economy and social science at Columbia College, writing in 1892, says that the character of immigrants of that day revealed a great preponderence of unskilled workers.[1] This unskilled foreign labor was found to be readily able to master the simple operations of the machine, crowding skilled labor out of its stronghold. The heavy foreign influx among the common unskilled labor made it most difficult to draw the group together. The conclusion of the professor was that this influx should be stopped. But immigration records show that it wasn't, at that time at least.

Immigration, however, was not the only reason for the large numbers of unskilled workers in American Industry. The very processes of mechanization have tended to produce such workers, for the machine has made machine tenders out of craftsmen. This very process, it was early recognized, would tend to break down "barriers between groups", for the elimination of the factor of genuine personal skill would serve to place more men on a basic industrial level,[2] since the widespread introduction of machinery made occupations formerly considered to

[1] Smith, R. M.: Emigration and Immigration, p.p. 114-134.

[2] Ibid, p. 144.

be skilled, really unskilled. The worker's job is reduced from that of "a maker of shoes" to that of "a stitcher of soles" no longer turning out a finished product meet for personal pride, but merely adding a twist to a minor part, the importance of which, in terms of the finished product, he does not even know. This loss of skill by virtue of industrial mechanization is the theme of a great deal of literature, in the literary fields of drama and novel as well as in that of labor.

Since this element is so directly pertinent to this study, a rather exhaustive attempt was made to secure reliable and comparable data, on the changing proportions of skilled and unskilled workers in American Industry. Reference was made to Census data, but it did not seem to be available. The Census Bureau itself says.... "It is impossible, from census occupation statistics, to compile separate statistics for skilled, semi-skilled, and unskilled workers for any year prior to 1910"[1] The desirability was recognized some twenty years ago, when Dr. Alba M. Edwards, of the Census staff, wrote an article on "Social-Economic Groups in the United States", published in the Journal of the American Statistical Association, in June, 1917. In a later article in the same publication, Dr. Edwards presents further data for later years, but indicates the weakness of the whole set-up, admitting that it is impossible to classify occupations and persons on the basis of skill, under the contemporary Census Reports. Exerpts from what he does give are presented as Table XXXVI, and may be taken as somewhat

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[1] Letter to writer, dated September 27, 1937.

indicative of the proportions, among the groups of workers hereby represented.[1]

Table XXXVI
GAINFUL WORKERS CLASSIFIABLE BY SKILL, IN THE UNITED STATES, 1910 -1930

Year	Skilled		Semi-skilled		Unskilled	
	Number	% of Total	Number	% of Total	Number	% of To
1910	4,464,060	11.7	5,512,344	14.4	14,251,589	37.3
1920	5,570,602	13.4	6,638,615	16.0	12,469,316	30.0
1930	6,282,687	12.9	7,977,572	16.3	14,008,869	28.7

This data must be accepted with some reserve, but if it means anything it shows that the actual numbers of both "Skilled" workers and "Semi-skilled" workers actually increased from any census date to the next. The proportions of skilled workers, which includes foremen automatically, took a downward tinge in 1930, however, while proportions as well as numbers of semi-skilled showed continual gain. This group includes a host of mechanical operatives in manufacturing industries. Although the total number of unskilled still comes pretty near to equalling that for both the other groups combined, it showed a serious falling off in numbers by 1920, which were not regained by 1930, and the proportionate place is less important. However, most of the field of unskilled and semi-skilled workers was unorganized because no truly major organization had gone out to meet their needs, since the American Federation of Labor's primary objective was the organization of skilled workers, into specific craft unions.

[1] Edwards, A. M.: A Social-Economic Grouping of the Gainful Workers of the United States, p. 383.

Data relating to the wages of skilled, semi-skilled, and unskilled labor is carried regularly by the periodicals of the National Industrial Conference Board, and it was thought that this organization might be able to supply comparable data relating to numbers. In reply to such a request, however, they state, in part...."changes in the proportion of skilled and unskilled workers are not available, as the information received from companies co-operating in our wage survey is strictly confidential".[1] Data of the Employment Service of the U. S. Department of Labor deals only with those applying for work, and covers too short a term. Therefore its classifications of skilled and unskilled applicants are of little value. The department itself says it "does not have data covering the proportion of skilled, semi-skilled, and unskilled workers in American Industry."[2] Since the N.I.C.B. is apparently the only source of such data, and since it is not available, accurate and conclusive statistical proof can not be submitted. From the Census Bureau's interpretation, however, as well as from our knowledge of the mechanizing processes in industry, it seems reasonable to conclude that the proportion of semi-skilled workers are increasing although there are still many millions of unskilled workers. These groups constitute the field which the Committee for Industrial Organization hopes to stir to organized action.

The most dynamic factor in any social problem is the human

[1] Letter to the writer, under date of November 27, 1937.

[2] Letter to the writer under date of November 30, 1937.

element. And in the past half-century, the complexion of the American population has changed exceedingly. Its numbers have been multiplied, and the people themselves have become more homogeneous, with fewer foreign-born, more extensive educational achievements, less illiteracy, and more thorough industrialized concentration in certain areas. Occupational patterns have shifted in like manner, but while there are more industries, which might be construed to be a factor militating against increased homogeniety, the basic factors of increased quantity and low unit costs in production have tended to force the working groups to recognize the commonality of their basic problems -job security and an annual wage, commensurate with the inherent possibilities of establishing a high plane of living.

C. Broader Economic Changes Reflecting National Maturity.

The gross land area of continental United States has changed practically not at all since 1850. (See Table XXX) At that time, and for some decades since, there was a vast unclaimed area, acting as a safety valve for those who were socially or economically oppressed. But even at the time when the American Federation of Labor was finding its feet, this condition was changing. (See Page 40 , Chapter II) Private Enterprise in America received governmental subsidies in the form of land grants while there were open lands. But now, in the words of President Roosevelt, in his Fireside Chat of April 14, 1938, "the government no longer has vast tracts of rich land to give away" for we are actually "spending large sums to conserve our land from further erosion and our forests from further depletion". And therefore the government finds it necessary to give economic assistance in other ways, when the spring of our economic system requires rewinding. It is dealing in youth movements involving constructive work, it has set up a huge United States Employment Service by which it hopes to help regularize industrial and other employment, and it is organizing vast work-programs, "in every county in the United States", to subsidize the economic system by pouring funds, in the form of made-work-project wages, into that system, and swelling thereby the mass purchasing power. This entire set-up is far removed from its earlier policies. To offer those who could get out there, a sizeable quantity of free land, on the fringe of civilization, tended to develop and foster a high

degree of isolated individualism. The people going out together to form a settlement might and did co-operate domestically, but each stood upon his own accomplishments, when social standing was being considered. The characters in Rolvaag's stories of the conquest of the upper middle west were judged by their peers in terms of the acres of land broken up. It was the frontier that stamped American Civilization with a peculiar mark, that did not tolerate the mention of the word "class-consciousness".

But these conditions no longer exist. Our nation and our national industry, is coming to a new degree of maturity. Our good land is in private hands, and much of our forest area has been shorn of its valuable coverage.[1]

This process has been exploitative in character, in general, because the plant foods removed from our good earth have not been restored in equal quantities, and our forests are being depleted by various forms of waste, as well as by a rate of useage that exceeds the rate of growth. With an increasing draft upon our mineral supplies, equalling for certain minerals such as coal and iron about 40 times the amounts used 50 years before, and for copper as much as 76 times the amounts used in 1860, we have already come to the point where diminution of rate of increase is definitely on the way.[2]

We have recounted the changes in industry, and in the

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[1] Research Committee on Recent Social Trends: Recent Social Trends, Chapter II, p. 59-121

[2] Ibid, p. 60-63.

nature of our labor supply, finding that we are crowding people into urban areas in greater numbers, although cities are beginning to grow more rapidly at the periphery than at the center. This too is an indication that a point of saturation has been reached. We are told, by various persons, that our population will be stable or actually declining in from 20 to 50 more years.[1] The increased rate at which the manufacturing and mechanical industries had been taking over the labor supply seems to have been checked. Those who are working in these industries are concentrated into a few immense establishments, or tend to be so concentrated. In these industries, generally speaking, the methods of mechanized mass production have displaced the earlier need of individual skill to a marked extent, and the worker is no longer indispensible. In fact, another can easily, and in a short time, be taught to operate the machine tended by anyone who shows signs of dissatisfaction. With increased leisure on their hands, because of the constant reduction in length of the industrial workday, from 14 hours in 1840 to 8 hours as a present standard, commercialized recreation, which is, in turn, used to create mass attitudes rather than to develop individual initiative, has intrenched itself.[2]

Another factor in the growing maturity of the nation is

[1] Thompson, W. S., and Whelpton, P. K.: Population Trends in the United States

[2] National Education Association: Research Bulletin, Vol. 12, No. 5, Nov. 1934, p. 280.

the stabilization of income- and control-groups. It is not necessary to accept as unequivocal the general conclusion of Frederick Lundborg's assertion that "America's Sixty Families" control the economic assets of the country, although it may well stimulate us to think. We know that of the 200 largest corporations in the United States, in 1930, only 2% were controlled by a majority of the ownership, and if the 1924 to 1929 rate of concentration of wealth had continued to 1950, 85% of all corporate wealth would then have been in the hands of these 200 corporations.[1] This means that of the 120 odd million people, 2000 individuals are in a position to control and direct half of industry. That this creates a gulf between the ordinary man and the man in the economic saddle is an obvious conclusion.

But it is necessary that it be stated here, for all these factors have taken away the stamp of the frontier. Massed together in society, in work, in amusement, or even drawn together by common recipiency in the government - sponsored made-work-projects, the common man-of-the-street of today has truly little prospect of changing his status. He has learned to figure, and knows, mathematically, that his chance of arriving at the pinnacle of the economic or social or political ladder are practically nil. And the new outlook causes him to compare himself with his fellows, and to see that standards of living can be maintained and enhanced by collective action,

[1] Berle and Means: The Modern Corporation and Private Property, p. 17, 28, 40, 94.

the stabilization of income- and control-groups. It is not necessary to accept as unequivocal the general conclusion of Frederick Lundberg's assertion that "America's Sixty Families" control the economic assets of the country, although it may well stimulate us to think. We know that of the 200 largest corporations in the United States, in 1930, only 22 were controlled by a majority of the ownership, and if the 1924 to 1929 rate of concentration of wealth had continued to 1950, 85% of all corporate wealth would then have been in the hands of these 200 corporations.[1] This means that of the 130 odd million people, 2000 individuals are in a position to control and direct half of industry. That this creates a gulf between the ordinary man and the man in the economic saddle is an obvious conclusion.

But it is necessary that it be stated here, for all these factors have taken away the stamp of the frontier. Massed together in society, in work, in amusement, or even drawn together by common recipiency in the government - sponsored made-work-projects, the common man-of-the-street of today has truly little prospect of changing his status. He has learned to figure, and knows, mathematically, that his chance of arriving at the pinnacle of the economic or social or political ladder are practically nil. And the new outlook causes him to compare himself with his fellows, and to see that standards of living can be maintained and enhanced by collective action, whereas the efforts of the individual would be impotent. Our industrialism has fostered a class consciousness, which is expressed in the widespread recognition of an increased need for organization. As the belief in unlimited opportunity and the individual's capacity to force his way to the achievement of personal success by rising out of the wage earning class, and as the difficulties of a polygot working population, typified by racial friction and the inaccuracy of a philosophy of the groups who maintain that man is basically and essentially a skill-hungry animal, are overcome by industrio-economic factors which force the facing of a new realism, a higher degree of organizability among workers comes to the forefront as a positive factor in industrial relations.

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[1] Berle and Means: *The Modern Corporation and Private Property*, p. 17, 28, 40, 94.

D. Non-adaptiveness of the American Federation of Labor.

When interrelated social institutions change at varying rates, discrepancies in social functioning occur. The discrepancies indicate cultural lag, and when the ineffectualness, resulting from this social mal-alignment, begins to accumulate, crisis situations occur. Out of these situations readjustments are born, and social progress becomes possible. Whether or not it is achieved depends upon the adequacy of the change to meet the newer needs of the institution in question.

As we return, to relate the importance of the foregoing analysis to the labor union crisis, we are faced by the fact that industrial change has not been matched by change of policy within the American Federation of Labor. We are justified in considering the A. F. of L. as representing organized labor, for it was dominant in the field ever since the disintegration of the Knights of Labor.

1. Weakness of Decentralized Control.

The American Federation of Labor is today essentially what it always has been, namely "a voluntary national federation of autonomous unions, loosely held together by rules and principles, which fix the relations of the constituent elements to one another and to the central body".[1] The structure of the Federation is somewhat complex, since half a dozen different kinds of organization may join this "loose federation". Thus federal labor locals, city central bodies, state federations, major departments, and the national and international units

[1] Lorwin, L.: The American Federation of Labor, p. 301.

are recognized.[1] The federal labor locals are usually found in small localities, and comprise workers in more than one craft because there are too few to maintain separate locals for the national craft unions. However, as soon as it becomes numerically possible, the federal labor local is split up among the crafts. City central and state federations are organizations based upon geographic proximity, and carry on only general program work. The local member unions are controlled by the powerful national and international unions, and these accentuate and maintain separate identity along craft lines.

It is these national unions which have always controlled the Federation as well as their respective locals. Roughly, they may be classed according to four types. About one-fourth of them are "pure craft", including "workers of idential skill, or those working on a single specialized process". About half classify as of the "compound craft" type, uniting "workers in interrelated crafts or processes, or in closely allied competitive or substitutive trades." The remaining fourth classify as being of an "amalgamated craft" type, where "workers in an entire industry or a major industrial branch unite, but maintain their craft lines among their own groups". There are also (or were prior to 1935) "one or two" industrial unions.[2]

Constitutionally, the Annual Convention has the final word in the affairs of the A. F. of L. President William Green says

[1] American Federation of Labor: Proceedings, 1932, p. 50.

[2] Lorwin, L.: The American Federation of Labor, p. 305-306.

that the purposes and policies of the Federation are "just what they always have been.[1] But the Convention itself is controlled by these powerful unions. The Federal Labor Locals are in the area of industrial change, and their voting strength is insignificant. They can speak, but the major unions vote. This is amply demonstrated in the Convention Proceedings of the last few years, and is made possible by the way votes are pyramided in favor of the dominant unions. Each federal labor local is entitled to send one delegate, who has one vote. The city centrals, state federations, and departments also have one delegate each, and these delegates have but one vote. Of course these are already or also represented by National and International Unions. These unions are subject to a staggered system of representation. They are entitled to one delegate for 4,000 members or less, 2 delegates for 4,000 to 8,000 members, 3 delegates for 8,000 to 16,000 members, 4 delegates for 16,000 to 32,000 members, etc. And each delegate casts one vote for each one hundred members which he represents.[2] The result of this, in terms of control, is obvious. In a well attended convention, in 1930, 430 delegates were present. Of these, 277 represented national and internation unions, 34 represented state federations, 4 represented departments, 79 represented city central bodies, of which there were 804. The proportion of federal labor locals represented was even less, for of 663 bodies so affiliated, only 36, or less than 5%, were represented

[1] Christian Science Monitor: Mr. Green Speaks Quietly, July 21, 1937.

[2] Constitution of American Federation of Labor.

that the purposes and policies of the Federation are "just what they always have been.[1] But the Convention itself is controlled by these powerful unions. The Federal Labor Locals are in the area of industrial change, and their voting strength is insignificant. They can speak, but the major unions vote. This is amply demonstrated in the Convention Proceedings of the last few years, and is made possible by the way votes are pyramided in favor of the dominant unions. Each Federal labor local is entitled to send one delegate, who has one vote. The city centrals, state federations, and departments also have one delegate each, and these delegates have but one vote. Of course these are already or also represented by National and International Unions. These unions are subject to a staggered system of representation. They are entitled to one delegate for 4,000 members or less, 2 delegates for 4,000 to 8,000 members, 3 delegates for 8,000 to 16,000 members, 4 delegates for 16,000 to 32,000 members, etc. And each delegate casts one vote for each one hundred members which he represents.[2] The result of this, in terms of control, is obvious. In a well attended convention, in 1930, 450 delegates were present. Of these, 277 represented national and internation unions, 54 represented state federations, 4 represented departments, 79 represented city central bodies, of which there were 804. The proportion of federal labor locals represented was even less, for of 668 bodies so affiliated, only 36, or less than 5%, were represented at the convention.[1] That the larger unions can easily dominate a convention is apparent. In 1931, the 14 largest unions controlled 62.5% of the vote, while the 59 smallest unions cast 7.8% of the vate. The 32 medium-sized unions, with memberships ranging from 10,000 to 50,000, controlled less than 30% of the vate. Jealous of their perogative of having control of all workers in the craft represented by any given national of international union, these groups have marshalled their power to prevent the adoption of any policy which would weaken their grip on the labor movement. They have continued, even in fratricidal warfare, to guard their individual autonomy, based on a narrow interpretation of their charters. The result has been decades of jurisdictional dispute, which can benefit none except the union which comes out "successful", and which, according to the Webbs, have been responsible for "nine-tenths of the ineffectiveness of the trade union world."[2] This bickering and interunion conflict has grown out of the fact that these craft unions have the power to dominate the Convention and therefore its Executive Council as well, and they have intrenched themselves still further in the craft-exclusiveness with which they began. This fact of conflict and incompetency is important enough in itself, but its effect upon the course of recent labor history has been even more significant, for labor felt the need for organization, and the A. F. of L. did not take in the class of labor that was knocking at its door.

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[1] Christian Science Monitor: Mr. Green Speaks Quietly, July 21, 1937.

[2] Constitution of American Federation of Labor.

[1] Lorwin, L.: The American Federation of Labor, p. 326.

[2] Webb, Beatrice & Sidney: Industrial Democracy, p. 510.

2. Failure Effectively to Organize Mass-Production Industries.

From the time of its earliest beginning, there were some Convention delegates, who, as was indicated earlier, wanted to see the American Federation of Labor become an inclusive organization. In its second meeting, in 1882, P. J. McGuire urged "industrial unity", by adopting the good features of all organizations and making it truly broad in its base.[1] We have seen how this concept was given lip-service by other leaders, who thereupon planned the fight with the Knights of Labor.

But it was not many years later, just after the Knights had been effectively disposed of, that a new fear arose. In 1896 the Convention instructed the Executive Council to "thoroughly organize the unskilled labor", not because the crafts were concerned for this unskilled labor but because they wanted to "minimize the temptation to cut wages".[2] A year later it was reported back to the Convention that "the Federal Labor Unions (had) proved a splendid haven of protection to the unskilled, as well as a recruiting ground for local units of international unions."[3] At this time Gompers stressed the fact that changes in industry were making "the artisan of yesterday the unskilled worker of tomorrow".[4] The "unskilled", it was found, could take over the jobs of the "skilled" with progressively less training, and the craft unions recognized the

[1] American Federation of Labor: Proceedings, 1882, p. 19.

[2] Ibid, 1896, p. 85.

[3] Ibid, 1897, p. 15.

[4] Ibid, p. 70.

fact, and saw the advantage of extending their memberships, reducing the number presumably available for strike-breaking, wage-depressing, etc.

But the craft-unionists would not relinquish their craft delineations. In spite of the fact that they saw industry moving in the direction of obliterating craft lines they succeeded in strengthening their exclusive hold, in 1899, when James O'Connell, President of the Machinists Union, introduced a resolution guaranteeing complete jurisdiction over all members wherever employed, to each craft.[1] Samuel Gompers, Frank Morrison, and other leaders supported the resolution, which was passed. The attempt was made, in 1901, to liberalize this position, and the so-called Scranton Declaration passed that year does modify it "for some few industries", where "comparatively few of the workers over whom separate organizations claim jurisdiction" are engaged. This did not modify the principle of craft-autonomy very appreciably, because although the Convention may have intended it so, the Council was less liberal in interpreting the Scranton Declaration. Jurisdictional warfare continued, and a resolution to declare a year's truce in this area, in 1904, was defeated by those who had the power.[2]

Those in the Federal Labor Unions, however, were not content to remain pawns for the bigger craft unions. In 1901 they demanded fuller representation, greater return for dues paid into the treasury, and a greater and more forceful campaign to

[1] American Federation of Labor: Proceedings, 1899, p. 67.

[2] Ibid, 904,p. 158.

organize the unskilled, as a basis for an international laborer's union. The A. F. of L. would not acquiesce in changing the voting system, and opposed the formation of an International Laborer's Union, although it did begin to build up a strike fund for members of these unions.[1] In other words, the control group in the Federation would condone the organization of the unskilled only so long and only to such a limited extent that they attained no independent power thereby. This has characterized the attitude of the Federation in every conflict or choice situation, because it supports the contentions of the craftsmen, who look upon man as a skill-hungry animal.

A small number of unions, industrial in form, have found their way into the fabric of the American Federation of Labor. But most of such organizational work, within the A. F. of L., has come through the Federal Labor Union, always as a direct affiliate, usually as a local unit, and one in which craft cleavages were reserved till after actual organization. It was used as a tool for organizing groups in many industries, including autos, rubber, cement, etc., but it has always represented a confusion of thought and purpose, for after one had been established, the component knots of members were drawn out of the mass to build craft unions, and no sense of cohesion, so necessary to the procuring of the interest of the unskilled, was ever established.[2] The policy of the Federation has been

[1] Lorwin, L.: The American Federation of Labor, p. 71.

[2] U. S. Department of Labor, Bureau of Labor Statistics: Organized Labor Movement, 1929 to 1937, Serial # R 513.

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[1] Lorwin, L.: The American Federation of Labor, p. 72.

[2] U. S. Department of Labor, Bureau of Labor Statistics: Organized Labor Movement, 1929 to 1937, Serial # R 613.

to form compact national unions in every trade or craft possible, and the Federal Labor Unions were regarded as temporary recruiting grounds.

The weakening effect of jurisdictional strife was recognized and in 1908 an attempt was made to overcome some of this by formation of the A. F. of L. Departments. These were to be "in subordinate position to the Federation", and to "work in harmony with its Executive Council". But it did not give any more authority to the Executive Council, and since the Departments was composed of the existing unions these gave it whatever power and support they deemed expedient. The powerful unions, especially in the building trades, which are said by Prof. Daugherty to have the "unenviable record of being the scene for the worst jurisdictional struggles, as to number, duration, violence and bitterness"[1] have trampled the rules and rights of the lesser trades, in spite of the Departments. The control and policy of the Departments therefore, vitiate each other and the strong unions do as they please.[2] Brooks too cites a series of examples, for instance, in which the disgruntled Carpenters Union withdrew from the Federation because decisions went against it. But neither the Building Trades Department nor the American Federation of Labor could afford to do without the per capita contribution of the Carpenters, so they would be reinstated repeatedly, each time more secure in their power and less concerned about their right than at the

[1] Daugherty, C. R.: Labor Problems in American Industry, p. 510.

[2] Lorwin, L. L.: The American Federation of Labor, p. 371-377.

previous occasion.[1] The tenure of labor history indicates clearly that the device of the creation of a few departments has not done too much toward curbing the inter-union conflict, and it has not broadened the structural base one iota.

Demands that the Federation "organize the unorganized" have gone out many times. The attitudes of the craft unions toward these proposals and their effective embodiment in extension of organization, is well illustrated by Lorwin's account of the situation in steel.[2] The critical situation to which reference is made took place about 1918. For many years, since 1901, the Amalgamated Association of Iron, Steel, and Tin Workers had had wage agreements with many of the steel mills. Its members were skilled - "the top layer of English-speaking rollers, heaters, and nailers"[3] but their numbers were declining because of technological and other industrial change. It had previously tried to organize the unskilled workers, but the opposition of employers, who contracted with the Amalgamated on condition that it would not press the organizational issue, plus its own reticence to sacrifice wages during a possible strike necessary to the proposed organization plans, had caused its half-hearted attempts to fail.

In 1918 the Convention resolved to organize the iron and steel industry. A national organizing committee, consisting of the presidents of the 24 affected international unions was

[1] Brooks, R. R. R.: When Labor Organizes, p. 42.

[2] Lorwin, L. L.: The American Federation of Labor, pp 180-219

[3] Ware, N. J.: Labor in Industrial Society, p. 290-310

appointed. On September 22, 1919, they called a gigantic steel strike, basically to secure recognition for an unskilled membership. But the strike failed and was called off on January 8, 1920.

Lorwin lists several factors as reasons for the failure. Employer determination to keep unions down, as expressed by Judge Gary is one factor. The employees who belonged to the Amalgamated remained on the job. Foster, who lead the fight for labor, was not supported adequately by Gompers and the Executive Council of the A. F. of L. and the presidents of the 24 unions were wrangling about the allocation of the recruits to their respective unions. Of the 250,000 recruited, few remained after the clouds had blown away.

In 1923 another attempt was made, 14 international unions co-operating. But co-ordination was poor, and collapse threatened, when the Amalgamated offered to conduct it alone if it "might have the support of the Federation and jurisdiction over recruits". The Federation voted to give it support, but not complete jurisdiction, and the campaign crashed on the same rock of strategic vulnerability. The workers were still unorganized.[1]

During the period for which figures could be obtained, The American Federation of Labor spent consistently smaller proportions of its budget for organizational work, as is indicated by Table XXXVII.[2]

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[1] Lorwin, L. L.: The American Federation of Labor, p. 219.

[2] Ibid, p. 359.

Table XXXVII
ORGANIZING EXPENDITURES OF THE AMERICAN FEDERATION OF LABOR, BY PERIODS, 1899 - 1931

Period	Total Expense	Organizing Exp.	Organizing Exp. as % of total Exp.
1899-1904	$ 736,772	$ 239,227	32.5%
1905-1914	2,130,616	624,400	29.3%
1915-1924	5,388,771	1,557,782	28.9%
1925-1931	3,703,019	851,398	22.9%

This proportionate decrease has taken place in the face of an intensified industrialization, where more workers were continually being taken into the field of industrial labor, and where continued increase in use of machinery was reducing the skill of men to a degree compatible with machine operation. The organizing campaigns of the American Federation of Labor, when seen in retrospect, fail to convey the idea of continuity and seasoned planning and co-ordination but rather the idea of a series of discontinuous beginnings which were not especially well followed through. Mr. Lorwin reads "collapse and failure" into the Federation's record of organizing campaigns, and he had access to the unpublished private documents of the Federation itself, in the preparation of his authorized book.[1]

During the decade of the 1920's there was much pertinent pressure for the Federation to broaden its structural base. Demands and suggestions ranged from requests for more departments and reorganization into 12 new departments, to reorganization along plant and industrial lines and the universal interchange of membership cards.[2] But the Federation stood firm,

[1] Lorwin, L. L.: The American Federation of Labor, p. 354.

[2] American Federation of Labor: Proceedings, 1919, p. 348; 1923, p. 266.

even restating its policy as expressed in the Scranton Declaration of 1901.

With the onslaught of the depression of the current decade, followed by the impetus given to Labor Organization by Federal legislation, especially by Section 7A of the National Industrial Recovery Act, there was created a situation which, naturally, stimulated organization among labor. And just as naturally in view of our study of economic development, the most dramatic expressions of the desire for organization occurred in the swiftly developing, highly mechanized, and under-organized mass production industries.

One of these industries was that of automobile production. Shortly after the World War the attempt to organize the "United Automobile, Aircraft, and Vehicle Workers", as an industrial union type of A. F. of L. affiliate, was made. It called a strike in 1921, which was successful, and the A. F. of L. wanted to divide it along craft lines.[1] But the union refused, and withdrew from the Federation, to become the nucleus for the Communist's "Auto Workers Union".

In 1926 the Convention of the A. F. of L. again proposed to organize the Auto industry, along industrial lines, provided the individual crafts would waive jurisdictional claims until the workers had been brought into the union and the union had been recognized by the employers, but "the craft union Bourbons refused to waive jurisdiction over skilled workers, even

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[1] American Federation of Labor: Proceedings, 1918-1921

temporarily",[1] and so nothing further was accomplished.

In 1933 the auto industry began a steep climb to recovery. In 1932 the General Motors Corporation had sold only 562,970 cars, and had accumulated only $164,979 for stock dividends. In 1933 it had sold 869,035 cars, piling up $83,273,676 for dividends. Strikes were breaking out, and workers were uniting spontaneously throughout the industry, as the workers became vocal enough to demand a share in the new prosperity. The leftist labor unions were unprepared to take over the forming unions, so the plum went to the American Federation of Labor, by default, and by the spring of 1934 it had enrolled about 200,000 members in this industry.[2]

About this time the National Council of Automobile Workers' Unions was set up, to be a temporary clearance agency for the affairs of the 100-odd new federal labor unions. The unions were under its supervision, pending the granting of an international charter of affiliation.[3] In October 1934 a charter was awarded by the Convention of the A. F. of L. It was to be industrial in form. But the charter later presented excepted certain types of shops completely, and gave the old craft unions exclusive jurisdiction over some of the skilled groups, which were part of the industry, such as the tool and die workers. Furthermore, Mr. Green presumed to appoint men with the

[1] Muste, A. J.: The Automobile Industry and Organized Labor, p. 28.

[2] Ibid, p. 29-38.

[3] Handbook of American Trade Unions, 1936, p. 12 - 13.

craft-viewpoint to executive positions in the new union, and the unionists carried their grievances to the 1935 Convention.[1] When they were turned down by the craft unionists, the United Automobile Workers of America, in convention at South Bend, Indiana, in April 1936, accepted the proposals of the Committee for Industrial Organization, which suggested that it would help the Auto Workers establish an industrial union.[2] At their 1936 Convention were 230 delegates, representing 30,000 members. In August 1937 they convened again, this time at Milwaukee, where 1,874 delegates came to represent 375,000 members. They felt they had escaped the jurisdictional splitting fostered by the craft-type of unionism.

The same type of story could be told of other industries, where the craft lines of the A. F. of L. required the disintegration of the new creation, which comes as an answer to industrial change. Items like the following appear frequently in our newspapers, during the last few years, as a consequence of Federation policy of refusing to recognize the trend toward industrial unions.

> "Sawmill workers of the northwest, some 75,000 workers who were recently allocated (from Federal Labor Unions) by the A. F. of L., to the Carpenter's Union, have broken off to join the C.I.O. The Carpenters did not give them a vote, and they dropped away...." 3

The experience of the Radio operatives was similar in this regard, for the A. F. of L. electrical workers decided to take

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1 American Federation of Labor: Proceedings, 1935, p. 729-750.

2 Committee for Industrial Organization: The C.I.O. - What It Is And How It Came To Be, p. 13.

3 Christian Science Monitor, September 23, 1937.

craft-viewpoint to executive positions in the new union, and the unionists carried their grievances to the 1935 Convention.[1] When they were turned down by the craft unionists, the United Automobile Workers of America, in convention at South Bend, Indiana, in April 1936, accepted the proposals of the Committee for Industrial Organization, which suggested that it would help the Auto Workers establish an industrial union.[2] At their 1936 Convention were 250 delegates, representing 30,000 members. In August 1937 they convened again, this time at Milwaukee, where 1,374 delegates came to represent 375,000 members. They felt they had escaped the jurisdictional splitting fostered by the craft-type of unionism.

The same type of story could be told of other industries, where the craft lines of the A. F. of L. required the disintegration of the new creation, which comes as an answer to industrial change. Items like the following appear frequently in our newspapers, during the last few years, as a consequence of Federation policy of refusing to recognize the trend toward industrial unions.

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The experience of the Radio operatives was similar in this regard, for the A. F. of L. electrical workers decided to take them in on a Class-B basis, with one vote per local instead of a vote per member. So they "went C.I.O.", and formed their own "United Electrical, Radio and Machine Workers of America", in September 1937.[1] While the A. F. of L. chartered 272 new federal labor unions between its 1934 and 1935 Conventions, it had to report a total of 434 fewer such units in 1935 than in 1934. This means that 706 units disbanded, were suspended, or absorbed bodily in other units. Of these, only 86 were absorbed, 620 being suspended or disbanded.[2]

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[1] American Federation of Labor: Proceedings, 1935, p. 729-750.

[2] Committee for Industrial Organization: The C.I.O. - What It Is And How It Came To Be, p. 13.

[3] Christian Science Monitor, September 23, 1937.

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The economic history of the United States indicates therefore that the integration of industry itself has stimulated the growth of a type of union that would be co-extensive with the problems faced by labor. Furthermore, as the population has become more homogeneous but also more dependent on industrial and auxiliary employment, and as the population classes become more fixed, the chances for individuals to step out of their stations becomes less and less. This combination is accentuated by the increasing national economic maturity. And as the need for widespread collective action has increased, while existing forms of labor organization have failed to provide the necessary elasticity, we may conclude that economic factors have made some degree of change in the form of labor organization, imperative.

[1] Committee for Industrial Organization: The Case for Industrial Unionism, 1936, p. 15.

[2] United States Bureau of Labor Statistics: Action of A. F. of L. Convention on Internal Policies, 1935.

CHAPTER IV

Attitude Factors in the Labor Union Crisis

The socio-economic factors considered in the preceding chapter actually have a double effect, in terms of the problem of this study. As has been shown, they change the conditions of life, causing different patterns of relationship between men and men. But another aspect involves the bearing of these factors upon the attitudes of the people, those subtle matters of feeling, the direction, degree, and intensity of which it is so tremendously difficult to ascertain. These factors are important enough to warrant intensive study, and could be considered as specific thesis subjects in themselves. They will, therefore, be treated too briefly here, the attempt made merely indicating their importance and relationship to the wider pattern of changing forms of labor organization.

The changes in thought patterns came as a result of the cummulative action of the economic forces already considered. Isolationistic American communities, steeped in the doctrine of individualism and nurtured by a pioneering economy, told the world "Every man for himself" and expressed its idealism in terms of "Live and let live", the assumption being that the other fellow, too, might live, if he could survive. Developing industrial society realizes the intricate webb of many factors that join to weave a common interrelated fabric in which each must find a secure spot, and tells the world "My brother's fate is my concern", and is preparing itself so that it may event-

ually express its idealism in terms of "Live and Help Live". When labor unionists exchange a policy of economic exclusiveness for one of universality and common participation, they are expressing the more social attitudes through a modified and revitalized institution.

A. Forces within industry.

The interrelation of the factors considered under various subheadings in the preceding chapter was everywhere apparent. In the area of attitudes this is perhaps even more true, for everyone is part of the "public", and carries specific, not generalized, attitudes into and out of every group-situation. It is for the sake of facility in presentation and interpretation, therefore, that any attempt at classification is made.

1. Growing solidarity of labor.

That there is greater solidarity among labor is attested to by the fact that millions more of American workers are now members of labor unions than has ever been true before. Estimates of Robert R. R. Brooks, made in September 1937, and based on the most recent data then available, indicate that some 7,750,000 wage earners were thus enrolled at that time.[1] The highest previously recorded peak occurred just after the World War, when total union membership for 1920 was set at 5,110,800.[2] The peak point was not maintained, hundreds of thousands falling away during each of the next few years. Almost a million of the 1920 total were scattered among various independent unions, too,

[1] Brooks, R. R. R.: When Labor Organizes, p. 343.

[2] Wolman, L.: Growth of American Trade Unions, p. 32.

while only three-fourths of a million of the much greater 1937 total are found in "independent" unions, exclusive of the A. F. of L. and the C.I.O. A greater proportion of those now organized, therefore, are in one or the other of the greater, that is, numerically stronger, unions.

Since unions have come into prominence, even in basic industries that succeeded in excluding them after the war, union members are more focal in declaring their affiliation. Union insignia is more in evidence, with notable exceptions of course.

In spite of the pitched fighting between members of the A. F. of L. and the C.I.O. who were too close to the situation to be able to view it objectively, the "rank-and-file" expressed itself by speaking of the essential unity of labor, and requesting healing of the breach between the two main factions.

These and many other factors might be broken down more carefully, rather than being simply asserted, but that the attitude of "labor" is more homogeneous than it has been heretofore is hardly open to serious doubt.

2. Acquiescence of employer groups.

Employers have, traditionally and patently, opposed labor unions. They have taken to the direct methods of establishing an "open shop", open only in name because it was open only to non-union workmen, of using blacklist, boycott, "yellow-dog" contracts, and lockouts, as well as company unions, and other union-breaking organizations of their own.[1] Their influence upon

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[1] Clark, M. R., and Simon, S. F.: The Labor Movement in America, p. 82-98.

governmental forces, from the securing of police power to the use of the courts, in their efforts to curb unions, is also well known. The recent investigation of employer practices, conducted by a subcommittee of the Committee on Education and Labor of the United States Senate, under the chairmanship of Senator Robert M. LaFollette, bears ample testimony to the insidious genius which was employed in employers' efforts to dissipate the effectiveness of the labor unions.

But in spite of noteworthy examples to the contrary, the genesis of a changed general attitude has begun to evolve. For twenty years the Young Men's Christian Association has sponsored an annual "Industrial Relations" Conference, at its campsite at Silver Bay-on-Lake George, New York, which is attended primarily by executives of leading industrial firms. Most of the addresses are given by these executives, for others like themselves. And these addresses have always been as conservative as one might expect. They reflected the paternalism of company unions. They spoke of "industrial peace", but this was to be achieved upon the employers' terms. Beginning about 1934, however, the pressing socio-economic change led the speakers to discuss the tendency toward unionization in employer-employee relationships. Positions are taken with hesitancy, of course, and "works councils" are bolstered at every turn, but the admission that "collective bargaining" is a necessity and that its spread may be anticipated, is also made repeatedly. They admit, now and then, that there are fundamental differences is some of the viewpoints of "industry" and "labor", which are irreconcil-

able, and which cannot be handled fairly in a "company union". In its most recent meeting, held in August 1937, the President of the Caterpillar Tractor Company endeavored to show how the Wagner law, granting employees the right to "bargain through representatives of their own choosing" could be emasculated, but in spite of his thesis, the story of his own company's affairs shows that it had to recognize the unions, and that it was finding the situation quite tolerable.[1]

A similar trend can be ascertained in "Collective Bargaining for Today and Tomorrow",[2] edited by Henry C. Metcalf, but being in fact the rearranged notes of a "series of round-table conferences on the chaotic, country-wide collective bargaining situation" participated in "by business executives and personnel workers".[3] This volume begins with the contention, presumably accepted by the conferees, that "collective bargaining has become an absolute essential of the modern advanced industrial state". The volume is devoted to "Approach and Method", and devotes much of its space to dealing collectively with various types of unions, after presenting some of the socio-economic factors involved in the history of unionism. And unions, outside unions, are spoken of as being necessary in light of this quotation from John Stuart Mill, "the rights and interests of each or any person are only secure from being disregarded

[1] Annual Reports of the Silver Bay Industrial Relations Conference, especially for 1933-1937.

[2] Harper and Brothers, New York, 1937.

[3] Ibid.

when the person interested is himself able and habitually disposed to stand up for them".[1] Not merely unionism, but industrial unionism, is accepted on this basis.

Employer groups, following the trend of events in the relationships of United States Steel and C.I.O., are less adamant in their denunciation of the unions, and continually more recognize the united front which workers can thereby present as a stabilizing factor in industrial life.

B. Forces Outside Industry.

1. Governmental.

Axiomatic in our American culture has been the thought that "that government which governs least, governs best". But the hand of the government has reached into the affairs in the daily lives of all citizens to an unprecedented degree, and the process has gone on regardless of the name of the contemporarily dominant political party, because the demands of the people have called for continuous extension of studies, services, and subsidies. Like the industrial employers, who always maintained that government must in no way interfere with industry or business, yet who did not hesitate to use the agencies of government, to subsidize their enterprises by tariff collections, or to support them in times of industrial stress by asking for militia, national guard, and even the army if necessary, not to mention local police and special deputies, and the courts which "fought the employers battles more effectively than they them-

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[1] Preface, p. IX

selves could",[1] even so the people have declared for laissez faire as an intellectually acceptable doctrine, while demanding that the government "do something" to maintain or bring back economic bliss.

This has been especially true since the coming of the depression. The changing character of our socio-economic set-up bore itself so effectively into the consciousness of our people, that the responsibility for "straightening out the status quo" was placed before the incoming administration. Our previous "Engineer-President" Hoover had not been able to direct an acceptable course, and rightly or wrongly (and probably more wrongly) he was charged with the disaster. The point is that the people had learned to look to the government for deliverance.

The answer of the government was, as we know, to extend a program of social legislation which had been developed piecemeal for many decades, in a few short years, to the point where the federal government is actively assuming partial responsibility in the care of the young, the aged, the handicapped, the unfortunate and the unemployed in a vast effort at making social security a basic factor in the industrial society of the future. Realizing that these social malallignments do not adjust themselves, or at least that if they do it requires a long process, during which the lives of many would of necessity be blighted or mangled, the government has become focal, and has done much

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[1] Clark, M. R., and Simon, S. F.: The Labor Movement in America, p. 82.

to picture socio-economic change to the people of the nation, interpreting it in terms of the adjustments required by our industrial mode of living. The appointment of the President's Research Committee, by President Hoover, "in the autumn of 1929", to "study a report" was a fundamental step in this new emphasis. The increased need for such action reflects the relative insecurity of the unskilled worker or the production operative in contrast to the comparatively secure position of the organized skilled worker, when that fact of itself gave greater strength than it now provides.

Over and above the general barrage of social legislation, the government promulgated several laws of peculiar interest to labor. Much legislation had, of course, been passed from time to time, dealing with workmen's compensation, factory inspection, wage payment laws, etc., but the position of labor, especially that of organized labor, was always a matter for legal dispute, and the prevailing opinion was much influenced by contemporary situations. For instance, while "labor" had an inside track, and stood in favor by the federal government during the war, the reaction, experienced in the next few years, was so positive that the Railroad Labor Board decided not even to deal with strikes, asserting that such persons were no longer "connected with the carriers, having severed their relations", while it did elect to deal with the strike-breaking 'scabs', recognizing them as "new employees'".[1]

The legislation of the current decade changed the flavor of

[1] Ware, N. J.: Labor in Modern Industrial Society, p. 429.

the Norris-LaGuardia Act, of 1932, which curbed the power of courts to issue injunctions in case of Labor disputes and voided the "yellow-dog" contracts, and the passage of the Walsh-Healey wages and hours act, the Wagner-Steagall Housing Act, the Guffey Coal Bill, and the National Labor Relations Act, all following the National Industrial Recovery Act.[1] Of these the National Labor Relations Act is of most concern to labor, for although it is limited to industries engaged in interstate commerce, it is really very far-reaching since most industries do classify as of interstate import. The law provides that "workers in those industries shall have the right to organize unions and it mandates that industry shall bargain collectively with the representatives of the employees. Furthermore, employers are restrained from dominating or interfering with the formation or administration of any labor organization, they may neither encourage nor discourage membership in any labor organization, either by hiring, or period, or term, or condition of employment, they may neither coerce, restrain, nor interfere with employees in organization or in collective bargaining, and they may neither discharge nor otherwise discriminate against an employee because such employee has filed charges against an employer".[2] Grievances are laid before the National Labor Relations Boards, which are given extensive power, to hold hearings,

[1] Clark, M.R.; and Simon, S.F.: The Labor Movement in America, p. 158.

[2] Bureau of Labor Statistics: National Labor Relations Act, Serial #R 272, p. 1.

call witnesses, hold elections to determine which union is to have sole right of collective bargaining for the craft, plant, or industrial unit under consideration; it may issue orders to employers that they desist from unfair or forbidden practices, and it may demand reinstatement of those discharged for union activity. The power of the courts, however, must be invoked if anyone is to be forceably constrained for violation of the Act.[1] Government has thus very definitely expressed the "labor viewpoint" in the coding of legal instruments, and the N.L.R.B. has been extremely active ever since it was authorized. While some look upon its activity as "a sinister picture indeed",[2] others hail it as a boon to labor "curbing the brutal use of the industrialist's economic power over his employees".[3]

This attitude on the part of government has given an historic impetus to labor, especially in the previously unorganized fields, in the mass-production industries, where crafts had never been able to gain a toe-hold, because this gave labor the undisputed right to effect a thorough organization, without fear of intimidation, and it emasculated the company unions of the workers in these industries, who have a fear of having new unions carved up among a few old-line craft societies, perhaps as democratic step-children without the power of the franchise,

[1] Bureau of Labor Statistics: *National Labor Relations Act*, Serial #r 272, p. 1.

[2] Cox, E. E.: *Congressional Record*, 75th Congress, June 30, 1937 p. 5.

[3] New York Times, June 10, 1937.

the movement has been toward industrial unionism, in much of the area where the N.L.R.B. has been called to serve.

2. Courts.

A change in the "attitude" of the courts is perceptible, but not as marked as in the areas of legislation and administration. While justice is ordinarily not a commodity, to be bought or sold, the processes of obtaining it, or of seeking for it, are treated as commodities, in a laissez faire economy. And since our legal system has favored the protection of property above social groups of persons, if not above persons as individuals, and since much of its reasoning is done from precedent, the owners of property have fared better in the hands of the courts than have labor unions.[1]

At present, the friendliness of the Federal government, in its attitude toward labor, is reflected in certain judicial interpretations. The Norris-LaGuardia Act refers only to Federal Courts, and does not prevent the use of the injunction but merely seeks to regulate it. It does provide however, that an injunction may not be granted unless or until both parties have had a chance to be heard. This is a significant gain for labor, unpleasant as the reflection upon its implications may be.

When the Supreme Court, in March 1937, reversed its earlier decision, given in June 1936, on the matter of the power of states to regulate minimum wage scales for women and minors, it may not mean an enlargement of the supreme judicial heart, for the situation created by its earlier decisions made it equally

[1] Ware, N. J.: Labor in Modern Industrial Society, p. 105.

impossible for federal or state government to regulate such protective legislation, which had given President Roosevelt occasion to call this area of responsibility a "No Man's Land", and at the time when the clarifying reversal came, the fight for Court Reorganization, opposed by the Court itself, was on.[1] So it may be that this was only a gesture for self-preservation. Whatever of hope there is in the entire labor-court relationship, will probably come from the efforts of men minded like Justices Holmes and Brandeis, "to whom the law has not meant a close adherance to trammeling precedent or to an exercise of rigid, abstract, artificial logic, but an opportunity to apply ethical ideals and to permit social experimentation in the midst of changing economic and social conditions."[2]

3. Public.

Politicians and administrators and all others in positions of responsibility whose duties affect and are affected by relationships with the public try to gauge the attitude of their respective "publics", so that they may check the security of their own positions, if for no other reason. This in itself shapes the policies of the institutions concerned, and therefore the history of the period. So the history reflects the desires and attitudes of the people. For our story, it is perhaps not insignificant that the public supported the Administration, throughout the period of the Administration's friendliness to labor.

[1] Clark and Simon: The Labor Movement in America, p. 181-182.

[2] Daugherty, C. R.: Labor Problems in American Industry, p. 405.

When Franklin Delano Roosevelt was first elected to the presidency there was much confusion in the mind of the people. The overwhelming vote which re-elected him in 1936 was an expression of popular approval of the one great thing he had tried to do: lay a foundation for social legislation for an industrial society. And in this foundation the labor planks were of vital importance.

Many attempts have been made to measure public opinion, on such questions as that of labor unionism. These usually involve some scheme of sampling, which is always open to serious question, since one opinion is collected for many thousand individual members of the public, and the attitudes of those who frame the questions, select the sample-subjects, and interpret the data are too apt to be reflected, consciously or unconsciously, in the results. Fortune Magazine conducted a survey of public opinion in April 1938, based on a questionnaire to 5,000 persons, selected as was the sample for the recent Presidential Poll which predicted Roosevelt's election. This poll asked: "Which of these is most in need of reform: labor unions, public utilities, stock exchanges, Supreme Court". Of those replying (and the proportion replying is not given) 38.6% selected labor unions; 13.2% selected stock exchanges, 14.7% selected public utilities, and 3.9% voted "Supreme Court", while 29.6% were "undecided". The attitude of the interpreter or of the magazine is reflected in the statement that "factory labor itself puts unions at the head of the lists of culprits". To vote "for reform", we may add, does not mean, necessarily, that

the voter would have the institution abolished, and so, of course, we can not conclude from this that 38.6% or any other proportion, were opposed to unionism, but it does show that there is a degree of popular interest in the subject. Earlier surveys of the same series (Fortune's Quarterly Surveys) show a feeling against "picketing", "sit-down strikes", certain labor leaders, etc., but this is far from a reflection of a popular condemnation of unions, for the July 1936 survey registered the idea that 59.8% of the sample of the public declared that at least some, if not all, wage earners should belong to a union.

The opinion that those who are willing to work and able to work have a property right in their jobs is gaining ground, in the estimation of Professor Donald Anthony, of the College of Business Administration of Kent State University, at Kent, Ohio, who has written extensively.[1] His analysis is that the public would be willing to see such a right protected by law and court, after the confusion relative to what constitutes responsibility may have been eliminated. He sees the public as being "negotiation minded", believing that "both sides should be willing to sit across the table from one another and iron out their disputes". The public acceptance of the tendency to joint negotiation is perhaps its most eloquent expression of its attitudes toward the present situation, for if there is to be joint negotiation there must be an organ or institution through which groups of employees can select or choose representatives to be

[1] Letter to the writer, dated June 28, 1937.

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[1] Letter to the writer, dated June 28, 1937.

CHAPTER V

Nature of Shift Toward Industrial Unionism

Chapter II, in which the economic background of unionism was considered, closed with the thought that an important phase in the evolution of labor unionism was breaking. Since then we have traced the economic history of our nation, pointing out basic reasons for the coming phase of industrial unionism. Not only has economic history prepared the way: the bulk of the human forces most directly concerned have begun to give tacit recognition to the fact of necessity for change, although there is by no means unanimity of opinion on the forms and policies and methodology by which such change ought to be encouraged and guided. In this concluding chapter we shall trace the historic high-points which lead to our present industrial unionism, noting first the expression and extent of the shift in form of organization, and then calling attention to some of the features and characteristics of the new creation.

A. Expression and Extent of the Shift

1. The Craft-Industrial break.

When the Federal government passed legislation giving labor the legal right to organize, further supported by sustaining governmental boards, the impetus toward increasing union memberships had been supplied. In every period of rapid increase in numbers, the unions have experienced some internal tension. In this case only, however, has the conflict been so severe as to split labor into two approximately balanced camps. This fight

between the craft-or trade-labor unions and the industrial unions, dates historically from the time of the October 1935 Convention of the American Federation of Labor, held in Atlantic City, New Jersey. The rift has widened, until it appears possible that it will lead to the formation of a second national federation of labor unions.

The initial differences of opinion, presenting the case for and against organization of labor by industry instead of by trade or craft, had been expressed upon many previous occasions, but at the time of the 1935 Convention of the A. F. of L. the issue assumed primary magnitude. It "dominated practically all the formal proceedings and informal discussions, coming up first in the discussion of a group of resolutions dealing with unionism as a policy, then with others defining the kind of charters to be granted in specific instances to newly formed organizations in mass-production industries, and finally in the election of officers."[1]

The resolutions committee for that Convention first split on the issue of industrial unionism as a policy. The majority favored craft unionism, and represented by 8 of the 15 members of the committee, recommended non-concurrence in the resolutions calling for changes in forms of organization. It considered the relationship of the A. F. of L. to its national and international unions to be contractual, binding the Federation, according to its 1934 "statement of policy", to honor the "rights of the

[1] Bureau of Labor Statistics: Action of A.F. of L. Convention on International Policies, Serial #R 308, 1935.

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[1] Bureau of Labor Statistics: Action of A.F. of L. Convention on International Policies, Serial #R 306, 1935.

The recommendations of the majority were adopted by the convention, but the minority, on the premise that "the time had come when common sense demands that the organization policies of the A. F. of L. must be molded to meet present-day needs", especially in "the mass-production industries and those in which the workers are composite mechanics, specialized, and engaged upon classes of work which do not fully qualify them for craft-union membership", presented a report of its own. The minority recommended that the executive council be instructed to issue unrestricted charters to organizations of workers in the mass-production industries, upon industrial and plant lines, regardless of claims based upon jurisdiction.[2] The majority report was adopted by the convention.

Following the deliberations and discussions of this general matter, the question was reopened when directly affiliated federal labor unions, newly formed in the cement, chemical, packing, gas, radio, rubber, and other industries, asked for national charters, to cover entire industries. The request of the rubber workers is typical, asking for "an industrial rubber

[1] Bureau of Labor Statistics: Action of A.F. of L. Convention on International Policies, Serial #R 308, p. 2.

[2] Ibid,

workers' union" with "full jurisdiction over all employees in and around the respective factories without segregation of the employees in the industry."[1] Considerable tension was occasioned upon the floor of the Convention, but the craftsmen maintained control and defeated all these requests for industrial union charters.[2]

Following the Convention meeting, in November 1935, leaders of some of the groups who had favored organization along industrial lines came together and set up their Committee for Industrial Organization, with the purpose to "encourage and promote organization of the workers in the mass-production and unorganized industries of the nation and affiliation with the American Federation of Labor."[3] In quick succession, several groups of union fledglings asked this new Committee for advice and support, and the break was open.

President Green of the A. F. of L. immediately sent an open letter to the members of the "C.I.O.", under date of November 23, 1935, advising against the formation of such a body, on the grounds that the matter had been decided by the Convention and ought not be re-opened. The leaders of the C.I.O. wrote replies to President Green, swearing allegiance to the A. F. of L., but

[1] American Federation of Labor: Proceedings, 1935, Resolution #79

[2] Ibid, p.p. 725-729.

[3] Committee for Industrial Organization: C.I.O. - What It Is And How It Came To Be, p. 10.

proclaiming the need for organization in new fields, along acceptable lines, lines acceptable to the workers in the industries involved and based upon the needs of these workers.[1]

During 1936 both groups were out to organize workers, and by the time of the A. F. of L. Convention, the Executive Council had suspended the recalcitrant unions which had flocked to the C.I.O. banner. The Convention, controlled easily by craft-unionists, ratified the action of the Executive Council, although C.I.O. leaders questioned the constitutionality of the suspension, and published a cartoon picturing the "suspension" of the A. F. of L. Constitution, instead.[2]

The term which unionists have always feared, and that not without cause, had come to characterize the American Labor Movement. Dualism was a fact, and two flags floated over the camps of labor.

2. Numerical growth of Industrial Unions.

By the fall of 1937, the C.I.O. encompassed 32 national and international unions, as well as some 600 local industrial unions, organized in fields where national industrial unions had not yet been formed.[3] This was the organization that began two short years earlier, when the leaders of A. F. of L. affiliates decided to offer their services to help unorganized groups into the labor movement. A few more A. F. of

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[1] Committee for Industrial Organization: Industrial Unions Mean Unity, open letter.

[2] Brooks, R. R. R.: When Labor Organizes, p. 59.

[3] Committee for Industrial Organization: C.I.O. - What It is and How It Came To Be, p. 41.

L. unions had joined the Committee for Industrial Organization, and the 1937 A. F. of L. Convention had given its executive council the authority to expel the whole group, at its discretion.[1] When the A. F. of L. instructed its regional and departmental affiliates to dislodge their "C.I.O. sympathizing" units, the Committee began issuing charters of its own.[2] The organizing success of the C.I.O. is unparalleled. By September 1937 they claimed publicly to have a membership of 3,718,000.[3] Some of these represented sizeable deflections from the forces of the A. F. of L., but the bulk of them were newly organized, especially in "the automobile, steel, textiles, electrical, radio, transport, shoe, and metal mining industries", while many of the local industrial unions, as yet not all organized into national industrial unions, were found in "quarrying, baking, canning, candy manufacture, dairy products, ice, soft drinks, macaroni, furniture, matches, paper, brass, cutlery, etc., etc.[4] The field of activity was very extensive.

In the meantime the unions remaining in the A. F. of L. had recouped their losses. Their entire membership had decreased almost steadily, from 1920, when it included 4,078,740, to 1932, when it had been reduced to but 2,532,261.[5] Since 1932 it had

[1] American Federation of Labor: Proceedings, 1937.

[2] Clark and Simon: The Labor Movement in America, p. 193.

[3] Brooks, R. R. R.: When Labor Organizes, p. 243.

[4] Christian Science Monitor, September 23, 1937

[5] Lorwin, L. L.: The American Federation of Labor, p. 484.

increased its membership, under the encouragement of improving economic conditions and a friendly attitude on the part of government, until in 1935 it claimed 3,126,796 members. The figure reported for 1936 is about 400,000 higher, but the C.I.O. affiliates were still reported as members for that year, since they were not suspended till after the thirty-first of August, the date selected for the reporting of memberships. In 1937, with this C.I.O. duplication eliminated, the membership was reported at 3,271,726.[1] The 1937 membership, therefore, was greater than that for 1935, when the C.I.O. unions were first set up as a distinct group. The organizational campaigns have increased the strength of organized labor, but the greatest increase has of course been in the direction of industrial unionism.

The Committee for Industrial Organization has done what the American Federation of Labor either would not or could not do, for it has extended unionization to millions who were disfranchised by craft-unionism, and it has gone into the previously unassailable strongholds of industrial autocracy, "Big Steel", Automotive, Rubber, Radio and Textile Manufacturing. It waves a bigger cudgel than did the divisiveness of the A. F. of L. The idea behind industrial unionism has historic progenitors, but the effectiveness of the present engulfing is without precedent.

3. Current Status of the Factions.

The two years since the C.I.O. was born have been stormy,

[1] American Federation of Labor: Proceedings, 1937

in the annals of labor history. There was a good deal of corresponding, some conniving, some threatening, some persuading, some ignoring, and some bitter personal feeling, abbetted by adding insult to injury. But the fact remained throughout that the industrial bloc meant to go on with its proposals, regardless of craft oppostion. And it refused to compromise on its central point of contention.[1]

When it became evident that the A. F. of L. Convention, in 1937, would continue to support its craft-union leaders, and when the rank-and-file in both organizations saw the harm dualism was doing to the movement, they prevailed upon the leaders to begin peace overtures. These were begun in October, 1937, the A. F. of L. trying to impress the industrial bloc with the folly contingent upon their dualism, as it was within the power of the Federation to expel those of the 32 constituent national and international unions that had come from within the folds of the A. F. of L.

But desireable as it might have been, no agreement was reached. Here too, the attitudes and adamant positions of the negotiators were thoroughly recounted in the public press, and personages were blamed for the break-down in negotiations, which occurred in December.[2] The reason is not hard to find, because neither side could give in. The leaders of craft unionism in the A. F. of L. felt that their organization could easily

[1] Walsh, J. R.: Industrial Unionism in Action, p.p. 16-47.

[2] Labor Relations Reporter, April 18, 1938, p. 8.

weather the storm, with its 50-odd years of history. And to accept mass-production workers on the terms of the industrial unionists, with full voting privileges, would be tantamount to turning over much of their own power of control. Similarly, the industrial bloc did not care to end the struggle if it necessitated allowing the disintegration of the organizational achievements and the indefinite shelfing of the continuation of the process of industrial organization. It would mean forsaking the workers who had come into the industrial unions. It would mean inter-union peace, but at a price too high to be paid. The strength of industrial unions had been proven, in industrial centers all over the country but especially in relation to the Steel and Automobile industries. If the leaders had sold out the trust that had been placed in them, it is problematical whether or not the workers would have followed, and would have allowed the dismemberment of their new organizations, whose strength they were beginning to taste. In January 1938, Mr. Lewis, conscious of the publicity which had given him the unenviable reputation for having disrupted the peace negotiations, offered to start all over, to the end that internal harmony might be achieved. He proffered two suggestions, one "that the C.I.O. membership be taken into the A. F. of L. on an industrial basis", or "that A. F. of L. Crafts become part of the C.I.O. movement", both of which were of course immediately refused by Mr. Green, for neither added to the positions previously hashed and rehashed.[1]

[1] Labor Relations Reporter, January 31, 1938.

Thus far the C.I.O. had been active in organizational work, ostensibly to bring the new membership into the fold of the A. F. of L. It was not a "permanent organization". On the other hand, it had been issuing charters in its own name since early in 1937. The A. F. of L. had disowned it, and now that overtures to restore harmony had failed, the road to the creation of a permanent organization seemed open.

Accordingly, the leaders of the movement, now including 39 national and international unions, met in April 1938, to discuss the possibility of establishing a permanent organization. Heads of 38ofthese supported the idea. David Dubinsky, President of the International Ladies Garment Workers Union did not vote. His position is of significance. He was one of the original recalcitrant group, and when the "War Chest" for the Steel Workers Organizing Committee was being filled, his union put in the first $100,000. In the April meeting of the C.I.O. chiefs he opined that since the support of the executive board of the I.L.G.W.U. had supported him in his participation in C.I.O.'s affairs on the premise that it was to be an auxiliary movement, helping to organize the unorganized but not setting up as a permanent dual union, the same board would have to take its own position on this new development, before he would commit either himself or his union.[1] The A. F. of L. took this as a good token, and offered to prepare a grand welcome for the safe return of the I. L. G. W. U. But Mr. Dubinsky did not intimate any expectation of doing that. He merely said that the

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[1] Labor Relations Reporter, April 18, 1938.

The crux of the present situation, therefore, although the organized forces of labor are stronger numerically than they have ever before been, is that a serious dualism has developed. The labor movement at best embraces not over a fourth of the organizable workers, which number at least 25 to 30 million after

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[1] Committee for Industrial Organization: Industrial Unions Mean Unity, p. 21-22.

we deduct the small-shop-keepers, farmers, etc. from the 1930 returns for gainfully occupied, and with so small a proportion, it cannot afford to present a serious cleavage on its side that faces the world of industrial power and bourgeois public opinion. The cleavage is very obvious and very disastrous, when unions raid each others ranks, under speeches of "the oneness of labor" as is being done in many places, even today.[1]

Reports of the Labor Relations Boards indicate that the C.I.O. is more than holding its own, in organizing and in winning bargaining rights under elections supervised by the Boards. During February, 1938, 24 elections were held in the shipping industry, in 20 of which it was an A. F. of L. - C.I.O. contest. The industrial unionists won 18. Four of the elections were contests between two different A. F. of L. affiliates, the "Masters, Mates, and Pilots" and the "United Licenced Officers", which contrasts graphically the destructiveness of dualism in general, but especially the inanity of craft-jurisdictional cleavages. Especially under the present law, when a single union secures sole bargaining powers, craft organizations are at best a chain of very impotent links.

B. Analysis of Industrial Type of Union.

1. Philosophy and field of operation.

Opposition to trade unionism from the workers themselves has usually come along one of two lines. One has been the effort of the economic leftists, all down the line of history, to use the unions as a lever for the overthrow of the capitalistic

[1] Clark and Simon; The Labor Movement in America, p. 189 f.f.

economy. Back in the 1880's, it began, and the efforts of Socialists have always represented something for the union leaders to guard against. In 1894 Gompers had to tell the Socialists openly on the Convention floor that their doctrines were unacceptable to him and to the Federation. Constant vigilance was necessary. During the war, and after, the A. F. of L. was one of the strongest forces for "Americanism" in the country, and its leaders, from Gompers down, were always at odds with pinks, reds, or almost anyone else except the captains of industry.[1] The second internal cancer to the A. F. of L., has always been the question of the form of organization.

The C.I.O. does not repudiate the wage system, as did the Knights of Labor. It recognizes the wage system and tries to deal with it. But it wants to extend the benefits of wage incomes, in dependable amounts, to all the workers. One of the leaders in the A. F. of L. electrical workers organization is alleged to have said that the radio-workers were too low paid to be able to afford membership dues, so they ought not be organized. John L. Lewis thunders his position as demanding that just such need the benefits of a steady income, and it is through organization that they can get it. He expostulates, "We ask more than a living wage. We demand for the unskilled workers a wage that will enable them to maintain themselves and their families in health and modern comfort, to purchase their own homes, to enable their children to obtain at least a high school education and to provide against emergencies."[2] In a

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[1] Ware, N. J.: Labor in Modern Industrial Society, p. 271.
[2] Christian Science Monitor, July 14, 1937.

land of potential plenty, why should the mythical American standard of living be denied to large areas of the population that produce the goods which go into this unexplored standard?

Industrial unionism is of itself no more "leftist" than is craft unionism. It simply alters the base of organization, taking all the workers, first in a given plant and then in the specific industry, into a single union, irrespective of peculiar task or skill, on the premise that the industrial tie is more pertinent to their group economic needs than a series of unions based on skill or craft would be. But it is a far more inclusive union, a union for the masses rather than one for the scant aristocracy of labor, as was the organization from whose side it sprung. It is more democratic, taking in a wider range of individuals, than did the craft unions, which were concerned only with certain groups of workers. The implications of industrial unionism are that the spread of the national income, as it comes to labor, must seep into the unskilled ranks in greater volume, whereas the craft unions thought only in terms of higher wages for their own skilled groups. Industrial unionism aims to make "democracy" applicable to industry as well as to popular elections.

2. Methods Used.

The sit-down strike is commonly associated with the efforts at securing recognition, by the C.I.O. unions. It is not peculiar to any one organization, however, having been used by both major unions, by independent unions, by company unions, and even

by masses of workers who were unorganized. Of the 48 strikes "in which the workers stayed at their places for 1 day or longer" in 1936, there were 35 cases where C.I.O. affiliates were involved, 8 cases where A. F. of L. affiliates "stayed in", 3 cases were called by independent unions, one was called by a Company union, and in one case the workers were unorganized. There were a great number of additional cases, where the "strike" lasted less than a day, but throughout the melee, most of the striking was for some phase of unionization. And of those involving unions, "few were formally organized by the unions", although the unions often endorsed them later, and then tried to help effect a settlement.[1]

Spontaneous in origin, the sit-downs were found to be effective. When strikes breed violence, they are condemned on that basis. When another technique, based upon the growing concept that the workman has an equity in his job, is developed, that too is criticized. As the Bureau of Labor Statistics points out, in connection with the "sit-down" strikes in the Fisher Bodies Plants at Flint, "strikers refused to leave the plants when they became suspicious that the management was attempting to remove dies".[2] The workers knew that successful removal of the dies would eliminate their jobs, so they stayed in, to protect the jobs.

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[1] Bureau of Labor Statistics: Review of Strikes in 1936, p. 13-15.

[2] Bureau of Labor Statistics: General Motors Corporation Strike, 1936-1937, p. 1-2.

"Flying squadrons" of strong-arm men were also given a great deal of publicity in connection with the wave of strikes in 1936-1937. But the suddenness with which industrial unionism, which was making a stupendous bid for economic leverage, along a wide industrial front and on the basis of a young parent organization, had to make the best use possible of its leadership and its supporting resources. With the hard roads and the automobile, which had helped to integrate industry and which had contributed to the severing of the previously important craft demarcations among men, it was not a far cry to the use of these facilities by the men whose positions in the industrial world had been altered because of their appearance. What the workers in a given industry did in another town, whether they stood firm or were apt to succumb to the attacks upon their union, were of concern to workmen, irrespective of the demarcation of such arbitrary things as state lines in an industrial age.

3. Intrinsic Evaluation.

Even before the history of the last few years proved the point, it was recognized by labor leaders that industrial unionism offered effective advantages. The president of the American Federation of Labor himself wrote on "The Case for Industrial Unionism", 20 years ago.[1] "The organization of men by industry rather than by crafts brings about a more perfect organization, closer co-operation, and tends to develop the highest form of organization". He listed some advantages of industrial unionism

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[1] American Labor Year Book, 1917-1918.

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[1] American Labor Year Book, 1917-1918.

The industrial form of unionism has strength, promise, objectives, and a string of scalps in its victory belt. Many additional workers will undoubtedly come to the unions in the C.I.O. group. When the young giant waxes strong, will it be big enough to proceed without rancor, will it feel secure enough in its own position to grant the room for life and continued healthy growth of unions organized on another basis? The old-time Knights of Labor refused to recognize the just claims of the tradesmen. The C.I.O. can not afford to repeat the mistake. If it does, disaster will follow its steps as soon as economic conditions generally become more free, for it is then that it will have difficulty holding its far-flung battle lines as a solid front. Use of the check-off will tend to help hold members who might be lax, as long as the men have an income. But the check-off will not take the place of a red-blooded morale. Within the camp of labor there is room for differing viewpoints. Unless the C.I.O. developes a statesmanship to encompass them all, it will neither attain nor maintain labor leadership, a plum now practically in its lap.

But whether the C.I.O. lives or whether it is eventually overcome by a combination of the efforts of its enemies and its own error, industrial unionism is not apt to be choked again. "The Public", "Industry", and "Labor" alike recognize it as a form combining strength and adaptability. To the casual observer its development may appear to be in shallow soil, but actually, it is as thoroughly founded as industrial society, for it is the product of the same forces that have changed Western civilization, not to include the entire world, to its present economic configuration. Its greatest strength is that it has flowered out in answer to the needs of labor in a changing society.

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